HOTEL
GRANDE BRETAGNE
Athens

Annual Report 2006

LAMPSA GROUP

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GRANDE BRETAGNE
Athens

LAMPSA GROUP

ANNUAL REPORT 2006

ATHENS, JUNE 2007

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

The year 2006 has proved to be exceptionally positive for LAMPSA HELLENIC HOTELS S.A., characterized by a substantial increase in its financial results, as well as by expansion of its activity.

Specifically, in the course of the financial year 2006, the Company's turnover amounted to € 34,642 thousand as opposed to € 31,002 thousand in 2005, registering an increase by 11.7%. Profit before taxes amounted to € 7.743 thousand against € 4.938 thousand in 2005. The significant improvement in the Company's financial results is owed to the increased occupancy rate of the "Grand Bretagne" Hotel, the significant rise in the average rates - which, in the course of 2006, were higher than those of other Athenian hotels in the same category-, the rise in revenues from the Hotel's four restaurants and spa, as well as the continuing reduction in operating costs.

In the course of 2006, the Company made its first international move, with the acquisition, in June 2006, of 51% of the "Hyatt Regency" Hotel in Belgrade, for the amount of € 11,1 million. Thus, in 2006 the financial results of the Company and the Group were unified. Following the integration, the Group's turnover rose to € 45,320 thousand, while profit before taxes amounted to € 8,954. Compared to the financial results of the Mother Company for the year 2005, these sums represent an increase by 46.2% in the turnover and 103.6% in profits before tax, marking an era of increased profitability for both the Company and the Group.

Aiming at further strengthening its international presence, the Company is currently concluding the final stages in negotiating the acquisition of the remaining 49% of the "Hyatt Regency" Hotel in Belgrade from the NIS – the Serbian State Oil Company. At the same time, it tirelessly seeks out opportunities for business development in the rising tourist markets of Bulgaria and Romania that have recently become members of the E.U., as well as in that of Turkey.

As a result of the Company's positive course, the Board of Directors proposed to the General Meeting of Shareholders the distribution of a dividend of € 0.08 per share – representing an increase by 60% compared to that of 2005.

For 2007, which started out under favorable auspices, the Company is intent on further improving its progress guided by its flexible business strategy, proper exploitation of business opportunities, and, mostly, the strong sense of responsibility towards Shareholders.

Maurice Modiano
Chairman

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CHAPTER I

BRIEF FINANCIAL DATA

1.1 BRIEF FINANCIAL DATA OF THE GROUP

INCOME STATEMENT OF THE GROUP

(In thousand €)	Notes	01.01 – 31.12.2006	01.01 - 31.12.2005	01.01 - 31.12.2004
Revenue		45,320	31,001	30,498
Less: cost of goods sold	9.26	-28,746	-19,992	(18,823)
Net Revenue		16,575	11,009	11,674
Other operating income	9.28	4,058	765	1,097
Selling expenses	9.26	- 2,639	- 1,979	(2,350)
Administrative expenses	9.26	- 5,109	-3,745	(4,241)
Other operating expenses	9.26	-474	- 547	(361)
Profit Before Finance Charges & Taxes		12,410	5,503	5,819
Depreciation	9.5	3,578	2,838	2,780
Profit Before Finance Charges, Depreciation & Taxes		15,988	8,341	
Financial income	9.27	144	169	92
Financial expenses	9.27	- 3,600	- 1,275	(1,612)
Financial Result		- 3,456	-1,105	(1,519)
Depreciation	9.5	- 3,578	-2,838	(2,780)
Profit Before Tax		8,954	4,398	4,299
Tax	9.33	- 2,081	- 958	(1,265)
Profit For the Year		6,873	3,440	3,034
Attributable to:				
Company's shareholders		5,771	3,440	3,034
Minority shareholders		1,102	-	0
Profit for the period per share - (in €)	9.34	0.2701	0.1610	0.1420

BALANCE SHEET OF THE GROUP

(In thousand €)	Notes	31.12.2006	31.12.2005	31.12.2004
Non Current Assets				
Tangible Assets	9.5	134,018	86,670	88,670
Intangible fixed assets	9.7	525	31	35
Goodwill	9.8	3,483	-	-
Subsidiaries	9.9	-	18	18
Other long-term claims	9.10	58	55	56
Deferred tax assets	9.11	1,317	1,164	713
		139,401	87,938	89,492
Current Assets				
Inventory	9.12	1,018	429	387
Trade and receivables	9.13	3,168	2,383	2,190
Other receivables	9.14	950	580	1,521
Other current assets	9.14	284	210	88
Cash and cash equivalent	9.15	10,026	11,844	8,026
		15,446	15,447	12,218
TOTAL ASSETS		154,847	103,385	101,710

EQUITY AND LIABILITIES				
Capital and Reserves				
Share Capital	9.16	23,928	23,500	24,996
Share premium		38,641	38,641	38,641
Translation reserves		147	-	
Statutory reserve		304	174	174
Other reserves		2,161	1,305	1,305
Dividends payable		1,695	1,068	1,004
Results carried forward		4,172	1,729	(642)
Total Equity Attributed to the Shareholders of the Company		71,048	66,418	65,477
Minority Rights		8,330	-	
TOTAL EQUITY		79,378	66,418	65,477
LIABILITIES				
Long-term Liabilities				
Bond loans	9.17	27,300	-	
Bank loans	9.17	-	30,000	28,500
Retirement benefit obligation & other long-term obligations	9.23	759	648	565
Deferred tax obligation	9.11	1,968	1,255	350
Other long-term obligations	9.21	29,691	-	
Other provisions	9.22	109	130	300
Total Long-term Liabilities		59,827	32,034	29,714
Short-term Liabilities				
Short-term debenture and bank loans	9.17	3,703	-	1,500
Short-term and other long-term obligations	9.22	3,739	-	
Trade and other payables	9.18	1,717	984	1,077
Taxes and social securities	9.19	2,558	1,552	1,329
Other current liabilities	9.20	2,347	1,516	1,320
Advances		1,579	882	1,292
Total Short-term Liabilities		15,642	4,933	6,519
Total Current Liabilities		75,469	36,967	36,233
TOTAL EQUITY AND LIABILITIES		154,847	103,385	101,710

1.2 BRIEF FINANCIAL DATA OF THE COMPANY

INCOME STATEMENT OF THE COMPANY

(In thousand €)	Notes	01.01 – 31.12.2006	01.01 - 31.12.2005	01.01 - 31.12.2004
Revenue		34,642	31,001	30,498
Less: cost of goods sold	9.26	- 21,662	-19,992	(18,823)
Net Revenue		12,980	11,009	11,674
Other operating income	9.28	635	765	1,097
Selling expenses	9.26	- 2,074	-1,979	(2,350)
Administrative expenses	9.26	-4,180	- 3,745	(4,241)
Other operating expenses	9.26	-474	- 547	(361)
Profit Before Finance Charges & Taxes		6,887	5,503	5,819
Depreciation	9.5	2,859	2,838	2,780
Profit Before Finance Charges, Depreciation & Taxes		9,746	8,341	
Financial income	9.27	158	169	92
Financial expenses	9.27	- 1,302	- 1,275	(1,612)
Financial Result		- 1,143	- 1,105	
Depreciation	9.5	-2,859	- 2,838	(2,780)
Profit Before Tax		5,743	4,398	4,299
Tax	9.33	- 1,128	- 958	(1,265)
Profit for the Year		4,616	3,440	3,034
Attributable to:				
Company's shareholders		4,616	3,440	3,034
Minority shareholders		-	-	0
Profit for the period per share - (in €)	9.34	0.2161	0.1610	0.1420
Recommended dividend per share		0.0800	0.0500	0.0470

BALANCE SHEET OF THE COMPANY

(In thousand €)	Notes	31.12.2006	31.12.2005	31.12.2004
ASSETS				
Non Current Assets				
Tangible assets	9.5	86,087	86,670	88,670
Intangible fixed assets	9.7	25	31	35
Goodwill	9.8	-	-	
Subsidiaries	9.9	11,100	18	18
Other long-term claims	9.10	53	55	56
Deferred tax assets	9.11	1,304	1,164	713
		98,569	87,938	89,492
Current Assets				
Inventory	9.12	433	429	387
Trade and receivables	9.13	2,695	2,383	2,190
Other receivables	9.14	701	580	1,521

Other current assets	9.14	212	210	88
Cash and cash equivalent	9.15	7,238	11,844	8,026
		11,279	15,447	12,218
TOTAL ASSETS		109,848	103,385	101,710
EQUITY AND LIABILITIES				
Capital and Reserves				
Share Capital	9.16	23,928	23,500	24,996
Share premium		38,641	38,641	38,641
Translation reserves		-	-	
Statutory Reserve		302	174	174
Other reserves		2,161	1,305	1,305
Dividends payable		1,709	1,068	1,004
Results carried forward		3,225	1,729	642
Total Equity Attributed to the Shareholders of the Company		69,965	66,418	65,477
Minority Rights		-	-	
TOTAL EQUITY		69,965	66,418	65,477
LIABILITIES				
Long-term Liabilities				
Bond loans	9.17	27,300	-	
Bank loans	9.17	-	30,000	28,500
Retirement benefit obligation & other long-term obligations	9.23	754	648	565
Deferred tax obligation	9.11	1,825	1,255	350
Other long-term obligations	9.21	-	-	
Other provisions	9.22	109	130	300
Total Long-term Liabilities		29,987	32,034	29,714
Short-term Liabilities				
Short-term debenture and bank loan	9.17	3,703	-	1,500
Short-term and other long-term obligations	9.22	-	-	
Trade and other payables	9.18	1,352	984	1,077
Taxes and social securities	9.19	1,592	1,552	1,329
Other current liabilities	9.20	1,669	1,516	1,320
Advances		1,579	882	1,292
Total Short-term Liabilities		9,895	4,933	6,519
Total Current Liabilities		39,883	36,967	36,233
TOTAL EQUITY AND LIABILITIES		109,848	103,385	101,710

Any small discrepancies in the partial summations are due to rounding.

In the present period, the companies that appear under the “Group Structure” were incorporated for the first time, due to the acquisition on June 6, 2006 of the affiliated LUELLA ENTERPRISES LTD and, through it, the ownership of NORTH HAVEN LTD, owning company of 51% of the Share Capital of BEOGRADSKO MESOVITO PREDUZECEE A.D., owning company of “Hyatt Regency” Hotel in Belgrade.

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CHAPTER 2

INFORMATION ON THE DRAFTING OF THE ANNUAL REPORT AND THE COMPANY'S CERTIFIED AUDITORS – ACCOUNTANTS

2.1 GENERAL INFORMATION

The present Annual Report refers to the year 2006 and includes all the information and financial data required for the accurate evaluation of the property, activity, financial situation, results and prospects of the LAMPSA GROUP by its investors and investment advisors.

The drafting and distribution of the Annual Report has been carried out in accordance with the provisions of Article 8 of the Decision No. 5/204/14.11.2000 of the Hellenic Capital Markets Commission, as it was subsequently amended in accordance with the Decision No. 7/372/15.02.2006 of the Capital Markets Commission.

It is certified that the attached Annual Financial Statements were approved by the members of the Board of Directors of LAMPSA HELLENIC HOTELS S.A. on March 28, 2007 and are also published on the Internet (www.grandebretagne.gr.).

The parties responsible for drafting the present Annual Report, who guarantee the accuracy of the data contained therein, are:

- Nikolaos Dandolos, Chief Executive Officer and member of the Board of Directors of LAMPSA HELLENIC HOTELS S.A. (1, Vassileos Georgiou A' St., Athens, tel. 210 33 30 000, Fax: 210 33 30 838, e-mail: lampsa@ath.forthnet.gr).
- Konstantinos Kyriakos, Director of Finance of LAMPSA HELLENIC HOTELS S.A. (1, Vassileos Georgiou A' St., Athens, tel.: 210 33 30 000, Fax: 210 33 30 838, e-mail: kostas.kyriakos@luxurycollection.com).

The Company's Board of Directors hereby declares that:

1. All its members have knowledge of the contents of the present Report and, along with its editors, certify that, with all acknowledged parties, all information and data contained in the Annual Report are complete and accurate.
2. No further data exist and no events have taken place, the withholding or omission of which could render all or part of the data and information contained in the Annual Report misleading.
3. There are no important pending litigations or arbitrations that can have significant implications on the Company’s financial position.

Investors who wish to make further inquiries are kindly requested to address, during working days and hours, the Company's offices: 1, Vassileos Georgiou A' St., Athens, tel. 210 33 30 000 (Director of Finance and Head of Shareholder Relations Department: Mr. Konstantinos Kyriakos).

2.2 INFORMATION ON THE COMPANY AUDITORS

The Company is audited by Certified Accountants – Auditors. The audit for the financial years 2004, 2005 and 2006 were conducted by GRANT THORNTON, specifically by Mr. Georgios Deligiannis (Charter Auditor – Accountant under Reg. No. 15791). The audits' certificates are provided in the attached Appendix, together with the corresponding published Balance Sheets.

Report on the Financial Statements of 2006

We have audited the accompanying financial statements of LAMPSA HELLENIC HOTELS S.A. (the "Company") as well as the Consolidated Financial Statements of the Company and its subsidiaries (the "Group") which comprise, the balance sheet as of December 31, 2006, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with the International Financial Reporting Standards that have been adopted by the European Union. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the abovementioned Financial Statements present fairly, in all material respects, the financial position of the Company and that of the Group as of December 31, 2006, and the financial performance and cash flows of the Company and those of the Group for the year then ended, in accordance with the International Financial Reporting Standards that have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

The Board of Directors Report is consistent with the abovementioned financial statements.

NOTES

1. There are no litigations or disputes in arbitration before courts of justice or administrative courts that could significantly affect the Company's and Group's financial situation.

2. Liens on the Parent Company's assets amount at € 39,000 thousand, whereas liens for the Group stand at about € 68,823 thousand.

3. Sales, purchases, receivables and liabilities among associated parties are listed on the following table.

	GROUP	COMPANY
a) Sale of goods and services	39.00	39,00
b) Purchase of goods and services	0.00	0,00
c) Receivables	21.00	21,00
d) Liabilities	0.00	0,00
e) Management and B.o.D. transactions and fees	1,280.00	860,00
f) Receivables from Management and B.o.D.	0.00	0,00
g) Liabilities to Management and B.o.D.	0.00	0,00

4. Earnings per share have been calculated based on the distribution of earnings over the total number of shares.

5. 2006 Investments: Group € 3,196 thousand, Company € 2,260 thousand.

6. The Mother Company has not undergone tax audits for the financial periods 2003-2006. The years in which the other companies on the Group have not undergone tax audits are listed on the Group Structure table.

7. The Group's and Company's personnel is presented on the following table.

	GROUP		COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Salaried personnel	752	456	489	456
Day-wage earners	143	15	39	15

8. During this period, the companies listed on the Group Structure table were included for the first time as a result of the acquisition of subsidiary LUELLA ENTERPRISES LTD on June 6, 2006. The comparative information for the Group regards the Parent Company.

9. Any small discrepancies in the partial summations are due to rounding.

10. The Company publishes Financial Statements prepared in accordance with the IFRSs since January 1, 2005.

11. For the purpose of providing better information, the Company has reclassified the balance sheet items for 2005 (see point 7 in the notes on the Financial Statements).

2.3 TAX AUDITS

The Company has undergone ordinary taxation audit up to 2002, while at this moment a taxation audit for the financial years 2003, 2004 and 2005 is carried out. The taxation audit was carried out to determine taxation liabilities of any kind (Revenue Tax, V.A.T., Payroll Tax, Tax Duties, etc). Its financial data were found accurate, sincere and definitive. Following the taxation audit for 2000-2002 by the National Audit Center, additional revenue taxes were imposed amounting at € 231,226.36, including fines and superadditions. This amount was consolidated for 2004 and increased the financial results by € 172,859.40.

During the taxation audit for 2000 – 2002, the variation per year, together with the corresponding taxes and superadditions, are as follows:

(In thousand €)	2000	2001	2002	TOTAL
Accounting Differences	235.95	210.70	12.61	459.26
Taxes from tax audit	90.79	82.07	0	172.86
Penalties and surcharges	39.90	18.46	0	58.36
Total	130.69	100.5	0	231.22
Total tax liabilities				231.22

Note: Any small discrepancies in the partial summations are due to rounding.

Drafting of Corporate Bylaws

In accordance with Article 1, section 1 of Law 3789/1957, the Company implements Corporate Bylaws and Staff Policies, as it employs over fifty people. The Company's Auditing Division, staffed with specialized personnel, is responsible for the implementation of Corporate Bylaws.

Pending Judicial Cases

There are no pending judicial cases that can have significant implications on the Company's financial position. Moreover, since the establishment of the Company, no legal action has been taken to terminate its business activity.

2.4 PUBLIC OFFERINGS

During the financial periods 2004 - 2006 there was no public offering from the Company for the purchase or exchange of shares of other companies, neither were there such offers from third parties for the Company’s shares.

CHAPTER 3

SHAREHOLDERS' RIGHTS

3.1 GENERAL INFORMATION

The Company's Share Capital amounts at € 23,927,680 and is divided into 21,364,000 common registered shares, each of a nominal value of € 1.12.

By virtue of a resolution of the Extraordinary General Meeting of the Shareholders dated October 1, 2003, the Share Capital was increased by 6,104,000 common registered shares, so that their number increased from 15,260,000 to 21,364,000 common registered shares, each of a nominal value of € 1.17. The aforesaid increase was approved by resolution No. K2 13234/13.01.2003 of the Ministry of Development.

Following a resolution of the Extraordinary General Meeting of Shareholders dated June 22, 2005, the Share Capital of the Company was reduced by € 1,495,480 with a corresponding reduction in the nominal value of the share by € 0.07 and Shareholders were refunded the difference. Thus, the Share Capital of the Company stood at € 23,500,400, divided into 21,364,000 shares, each of a nominal value of € 1.10.

Following a resolution of the Extraordinary General Meeting of Shareholders dated June 6, 2006, the Share Capital of the Company was increased by € 427,280, with a corresponding increase in the nominal value of the share by € 0.02. Thus, the Share Capital of the Company currently stands at € 23,927,680, divided into 21,364,000 shares, each of a nominal value of € 1.12.

Each share of the Company incorporates all rights and obligations stipulated by Codified Law 2190/920 (hereinafter referred to as the "Law") and the Company's Articles of Association, which, however, do not contain provisions that may be more restrictive than those provided by the Law. Possession of a share results in the owner's acceptance of the Company's Articles of Association and the legal decisions of the General Meetings of the Shareholders.

The Company's Articles of Association do not favor any specific Shareholders. The Company's shares are publicly traded at a unit of 10 shares.

The Shareholders' responsibility is limited to the nominal value of the shares held. Each share grants possession rights to the Company's assets, with corresponding participation in its profits, in accordance with the Law and provisions of the Company's Articles of Association. The rights and obligations emanating from each share are devolved on any universal or special successor of the Shareholder.

Shareholders exercise their rights in relation to the Company's Management only through the General Meetings.

Shareholders enjoy a right of preference in any future Share Capital increase, depending on their participation in the Company's existing Share Capital, as stipulated in Article 13, Section 5, of Law 2190/1920.

In no case may the lenders and the universal or special successors of a Shareholder provoke the seizure on any of the Company's assets; the seizure or termination of its books; request its distribution or liquidation; or in any way participate in the Company's management and administration.

As regards the relationship between the Shareholder and the Company, each Shareholder, no matter where he/she resides, is considered to have as a legal residence the Company's headquarters, and is subject to Greek Law.

Any dispute between the Company and Shareholders and/or third parties is under the sole jurisdiction of the ordinary courts of Law. The Company is obliged to present its arguments only before the courts located in its domicile.

Each share is indivisible and incorporates one voting right. In order to exercise their voting rights, joint shareholders should declare to the Company in writing a certain representative who will represent them in the General Meeting of the Shareholders. The exercise of their voting rights in the General Meeting will be postponed until the specification of their representation.

Every Shareholder is entitled to participate in the General Meeting, either in person or through a representative. According to Article 51 of Law 2396/96, before a Shareholder can participate in the General Meeting, he/she must deposit with the Company the respective Share Block Certificate issued by the SECURITIES DEPOSITORY S.A., whereby his capacity as Shareholder, the block of shares he/she holds, and any encumberments attached to them are verified, at least five (5) days prior to the date of the General Meeting. The Share Block Certificates, as well as the certificates of representation of shareholders, must be deposited with the Company within the aforesaid period of notice, while the Shareholder is provided with proof of entrance to the General Meeting.

According to the Law and the Company's Charter, Shareholders who wish to participate in the General Meeting must deposit with the Company the relevant certification obtainable from the CENTRAL SECURITIES DEPOSITORY S.A., according to Article 51 of Law 2396/96, or a certification that corresponds to the certification from the CENTRAL SECURITIES DEPOSITORY S.A., or take the deposited securities, in case they have not been materialized yet, to the Company, Deposit and Loan Funds, or any recognized Bank whose seat is in Greece, at least five (5) days prior to the date of the General Meeting.

a) Shareholders (of materialized shares) who have an operator (Bank or Stock Brokerage) should block their shares through their operator and deposit with the Company the Share Block Certificate issued by the Central Securities Depository for participation in the General Meeting, together with any certificates of representation.

b) Shareholders (of materialized shares) who do not have an operator, but are registered in the relevant account operated by the Central Securities Depository, should apply directly to the Central Securities Depository to block their shares, and subsequently deposit with the Company the Share Block Certificate, together with any certificates of representation.

The Company provides the Shareholder with the relevant proof of entrance to the General Meeting. Shareholders who do not comply with the above may participate in the General Meeting only with permission of the latter.

Shareholders representing 5% of the paid-in Share Capital have the right to:

1. Request the appointment of one or more auditors to audit the Company, according to articles 40, 40e of Law 2190/1920.
2. Request an Extraordinary General Meeting of the Shareholders. The Board of Directors is then obliged to convene such a Meeting within a time period no longer than 30 days following the application date to the Chairman of the Board of Directors. Shareholder applicants must include all the subjects of the Meeting's agenda in the application form.

Each Shareholder is entitled to request the annual financial statements along with the relevant reports of the Board of Directors and the Auditors of the Company, ten (10) days prior to the Ordinary General Meeting of the Shareholders.

Dividends are entitled to each Shareholder on the date of approval of the financial statements by the Ordinary General Meeting of Shareholders, or whenever else specified.

The dividend for each share is paid to its holder within two (2) months from the date on which the Ordinary General Meeting approved the annual financial statements. The place and payment process for dividends is announced through a Press Release.

Dividends that have not been claimed for a 5-year period are received by the Greek State.

With regard to the share deposit process, in order for each Shareholder to participate in the Company's General Meetings of Shareholders and dividend payment process, the procedures stipulated in the Procedure of Clearing and Settlement of the Central Securities Depository's Dematerialized Securities System are applied, as the latter is effective.

3.2 DIVIDEND TAXATION

According to the Law currently applicable (Law 2238/94, Article 109), all domestic Sociétés Anonymes (except for Banks) whose shares are listed on the Athens Exchange are subject to a 29% tax on their taxable earnings, prior to any distribution.

Thus, dividends are distributed out of the already taxed earnings of the legal entity, and, therefore, shareholders incur no tax liability on the amount of dividends collected.

The date that the Balance Sheet of the Company is approved by the General Meeting of the Shareholders is considered the date income from dividends is gained.

It is noted that according to the provisions of the Law, from the earnings gained during each fiscal year by subsidiaries, which are distributed as dividends, the portion of the dividends distributed to the parent company is paid in the next fiscal year (unless an interim dividend is paid within the same fiscal year), therefore, it is included in the earnings of the parent company for the next fiscal year. Also, dividends from the earnings of the parent company, which are partly formed by the distribution of the earnings of the companies in which it participates, are paid, if distributed, in the year following their appropriation.

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CHAPTER 4

ABOUT THE COMPANY

4.1 GENERAL INFORMATION

LAMPSA HELLENIC HOTELS S.A., under the trade name HOTEL GRANDE BRETAGNE or GRANDE BRETAGNE, was established on November 10, 1919 - the date when its business activity began.

The Company is registered with the Register of Sociétés Anonymes of the Ministry of Development, under SAs No. 6015/06/B/86/135 and its duration has been set for a hundred (100) years, commencing with the promulgation in the Government Gazette of the Royal Decree ratifying its Charter.

The Company's headquarters are located in the Municipality of Athens (1, Vassileos Georgiou A' St.), and the Company is granted the right, following a decision by its Board of Directors, to establish agencies or offices anywhere in Greece or abroad, provided this is to the Company's benefit.

Since its establishment, the headquarters, trade name, legal form and scope of the Company have remained the same.

Since its establishment, the Company has been in continuous operation for 87 consecutive years.

Scope of the Company

In accordance with the third Article of its Charter, the Company's objective is the acquisition, development and exploitation of hotels in Athens and elsewhere, in Greece and abroad, including other similar companies, such as the acquisition and/or exploitation of medicinal waters, spas, show businesses, clubs, etc.

More specifically, it can undertake the following activities:

- Acquire sites under construction in order to convert them into hotels, lease, exchange or sell them.
- Purchase furniture, movable property, merchandise, machinery or other items that can be utilized in the context of hotel or related businesses, and lease or sell them.
- Embellish scenic sites or archaeological areas, undertaking the installation of means of transport, such as cars, trams, rack railways, ships or any other means of transport that may be invented in the future.
- Collaborate with other companies pursuing similar goals, and incorporate other companies or be incorporated into them.

4.2 HISTORY

Establishment of the "Grande Bretagne" Hotel

Upon completion of the King's first Palace – now the Parliament House – in 1842, construction of one of the most beautiful buildings in Athens began: the house of Antonios Dimitriou, a merchant from Tergesti, who enlisted the services of Theophilos Hansen, a Danish architect of international repute.

The building was home to influential families of the time, such as the Dimitriou and Klados families, and later housed the French Archaeological School. In 1874, it was purchased by Savvas Kentros.

Four years later, in 1878, Kentros entered into partnership with Stathis Lampsas, a man originating from Kalavryta who was born in Odessa. Together they converted the building into a Hotel under the name "Grande Bretagne", extending it over the gardens of the house along Amalias St. As a result of this extension, the Hotel had a 40-room capacity, two bathrooms and water supply; when that was not enough, the staff obtained water from the local "water dealer" and transported it to the Hotel in buckets.

After Kentros' death in 1888, Lampsas, who had studied French cooking in Paris and worked as a chef at "Maison Doré", the most prestigious restaurant at the time, assumed full ownership of the Hotel.

The year 1896 was a landmark for the Hotel, which won international fame when it accommodated all foreign athletes and the International Committee of the first Olympic Games in modern times, under Baron Pierre De Coubertin. In 1917, the hotel was purchased by Theodoros Petrakopoulos, Lampsa's son-in-law.

At the turn of the 20th century, the "Grande Bretagne" Hotel had already become the center of political, financial and social life in Athens. After World War I and in the early '20s, the Hotel was ready for its first major transformation and extension.

Hotel Development and Extension

The planning for extension work began in 1924. The section along Voukourestiou St. was completed early in 1927, while work on the rest of the building, which by then had emerged as a four-storeyed Hotel, was concluded in 1930. The Hotel was now the proud owner of the historical hall Salle des Fêtes - today's Grand Ballroom - designed by the Swiss Architect Emil Vogt, and had a floor added to Dimitriou's former residence, which had always been an indispensable part of the Hotel.

Hansen's original architectural elements, such as the balconies supported by pairs of lions, the exterior frames and the balustrades with griffins in cast iron were replicated. The facade of the Hotel preserved every aspect of Dimitriou's original residence.

The end of the Mid-War Era and the growing speculation about a great new war left their imprint on the building. During Metaxas' term of office, the up-to-the-minute Greek Army Headquarters were stationed in the Hotel basement. The War and German Occupation introduced yet another chapter to the building's war memories: it served as the Greek Army Headquarters during the epic war in Albania, as Headquarters of the British and New Zealander allies until the collapse of the front, and as Headquarters of the German Occupation Army.

After the war, in 1956, with Athens rapidly developing, the building was thoroughly repaired, and Dimitriou's residence had another four floors added to it by architect Konstantinos Voutsinas. Its final form, as we know it today, was concluded in 1963.

The list of celebrities who have visited the Hotel and expressed a lasting preference for it right from the start is very long indeed: Kings, Heads of State, Prime Ministers, Millionaires, Musicians, Actors, Writers and many distinguished Politicians on state visits to Greece. The "Grande Bretagne" Hotel is, in a way, the official guest-house of the Greek State, and, with a period of operation spanning three centuries, it remains one of the most majestic buildings in Athens and one of the best hotels in Europe.

Changes in Ownership

In the year 1991, the proprietors of the Hotel (Petrakopoulos - Doxiadis Families) sold the majority equity holding of the Company to the international hotel group CIGA. In 1995, CIGA was bought out worldwide by the American multinational SHERATON, which, in turn, was bought out by the multinational STARWOOD in 1998.

STARWOOD HOTELS & RESORTS WORLDWIDE INC. is one of the leading multinational companies whose business activty include hotels, tourism, and management of hotels and tourist resorts worldwide, with approximately 850 hotels in over 95 countries and 145,000 employees in hotels managed by STARWOOD.

In 1999, STARWOOD sold, through the Athens Stock Exchange, the majority equity holding of the Company, but maintained the right to exercise the Management of the Hotel.

In 2000, HYATT REGENCY HOTELS & TOURISM (HELLAS) S.A. assumed control of LAMPSA HELLENIC HOTELS S.A. and, consequently, of the historical "Grande Bretagne" Hotel.

In November 2001, the Hotel suspended its operation and its principal Shareholder, HYATT REGENCY HOTELS & TOURISM (HELLAS) S.A., carried out a full renovation. It must be noted that no significant refurbishment, repair or modernization of the Hotel facilities had taken place since 1956, except for the addition of 36 rooms to two floors during 1972-1974 and the creation and operation of GB Corner. The aim of this undertaking that cost € 85,000,000 was to relaunch the "Grande Bretagne" as one of the most luxurious hotels in Europe. The renewed "Grande Bretagne" Hotel opened its gates to the public in March 2003.

In January 2005, HYATT REGENCY HOTELS & TOURISM (HELLAS) S.A. sold, through the Athens Exchange, 20.1% of the Company's Share Capital to VENTURE ABILITY S.A.

In June 2006, the Company, through its Cypriot subsidiary LUELLA ENTERPRISES COMPANY L.T.D., acquired 51% of the shares of the "Hyatt Regency" Hotel in Belgrade, at the amount of € 11,080,535.48. It is noted that this is the first investment the Company has ever made, as it is well known that the "Grande Bretagne" Hotel remained the Company's only chattel real and business activity for a hundred years.

Distinctions and Awards

In June 2005, the Certification Organization TÜV HELLAS successfully completed the inspection of the "Grande Bretagne" Hotel and issued a certificate of compliance in accordance with Standard 416 of the Greek Accreditation Scheme HE.LO.T. (H.A.C.C.P). The certification relates to the processing and distribution of food in all Hotel facilities.

A month later, in July 2005, the "Grande Bretagne" Hotel was the recipient of the "Five Star Diamond Award" by the American Academy of Hospitality for outstanding quality of services in the fields of travel and luxury. This international distinction represents is a symbol of great success and genuine quality in the tourist sector.

In October 2005, the "Grande Bretagne" Hotel was voted one of the top twenty Business Hotels in Europe by European Business magazine.

In November 2005, the “Grande Bretagne” Hotel was distinguished by “Diavaram” as the best hotel in Athens, becoming one of the few hotels and resorts worldwide to have received this acclaimed award of excellence.

In August 2006, the “Grande Bretagne” Hotel was selected as one of the 87 best luxury hotels in the world – and one of the 14 best hotels in Europe – in the first edition of the *Robb Report Luxury Hotels*. Moreover, it was included in the new edition of the *German Neues Luxury Hotels – Top of the World*, as well as in the list of CNBC European Business Top 20 European Business Hotels.

In November 2006, *Condé Nast Traveler* included the "Grande Bretagne" Hotel in its Gold List 700.

Moreover, in November 2006, within the framework of the opening ceremony of the acclaimed Greek tourist exhibition "Philoxenia", the "Grande Bretagne" Hotel received the following awards:

- Best luxury hotel: First Prize
- Best historical or traditional hotel: First Prize
- Favorite city hotel – Golden Five
- Best hotel restaurant – Golden Five
- Best hotel breakfast – Golden Five

In December 2006, the investment magazine *Institutional Investors*, in its article entitled "Top Hotels by City", selected the "Grande Bretagne" Hotel as the best hotel in Greece.

In January 2007, the well-known *Travel and Leisure* magazine once again characterized the "Grande Bretagne" Hotel as one of the sixty best hotels in the world.

Finally, *Forbes Traveler* included the "Grande Bretagne" Hotel in its list of the 400 Best Hotels in the world, suggesting it as the only proposed hotel in Athens.

4.3 AGREEMENTS

Management and Operation Agreement for the Hotel

The Company and CIGA HELLAS HOTELS S.A., subsidiary of STARWOOD HOTELS & RESORTS WORLDWIDE INC., signed an agreement for the Management and Operation of the Hotel in December 2001. According to the agreement, CIGA HELLAS HOTELS S.A. has agreed to provide services with respect to the Management and Operation of the "Grande Bretagne" Hotel.

The Company undertakes to provide the necessary funds for renovating and equipping the Hotel, in accordance with particular specifications. Hotel operation will be under the control of CIGA HELLAS HOTELS S.A., which will be responsible for its operation on the basis of the specifications that apply to every hotel owned by the company worldwide, according to the relevant legislation of each country.

The jurisdiction of CIGA HELLAS HOTELS S.A. over the control and operation of the Hotel includes its use for all intended purposes; the setting of rates regarding accommodation, recreation and entertainment, food and beverage; the management of human resources; the monitoring of bank accounts; and the assets holding in the Company's name. CIGA HELLAS HOTELS S.A. also undertakes to promote the advertising campaign and communication policy of the Hotel and provide booking services abroad, through its subsidiaries. CIGA HELLAS HOTELS S.A. is also responsible for keeping the Company's accounting books and records on the basis of preset accounting standards, and rendering them available for auditing by the internal auditors of CIGA HELLAS HOTELS S.A. or its subsidiaries. Moreover, authorized employees of CIGA HELLAS HOTELS S.A. are entitled, following due notification to the administration of the Hotel, to conduct audits related to the condition of the hotel facilities and the quality of services provided.

CIGA HELLAS HOTELS S.A. retains the right to purchase goods or services from its subsidiaries, provided that the cost and terms of the procurement are competitive to those offered by third parties. Additionally, CIGA HELLAS HOTELS S.A. has the right to use the hotel facilities to train persons employed in other hotels owned by itself or its subsidiaries.

The initial term of the Management Agreement was set for twenty-five (25) years and can be extended for another 25 years. The Agreement makes provision for the payment of fees to CIGA HELLAS HOTELS S.A. and SHERATON INTERNATIONAL INC. amounting at 3% of the turnover and 10% of the gross profit of the business. The two companies have limited rights as to the termination of the agreement without cause. The Board of Directors is in constant collaboration with the Company exercising the Management, as much to ensure that it is properly and smoothly exercised as to discharge all the duties within the competence of the Board of Directors.

Bond Loan Agreement

On December 14, 2005, the Company signed a loan agreement for € 30 million with the bank EFG EUROBANK ERGASIAS S.A. in order to pay off the long-term loan of the same amount received from ALPHA BANK for the Hotel's renovation. The Company's Extraordinary General Meeting of January 13, 2006 decided to sign a Bond Loan with EFG EUROBANK ERGASIAS S.A. amounting at € 30 million, in order to refinance the loan obligation of December 14, 2005, due to more favorable lending terms.

The agreement for the Bond Loan was signed on March 10, 2006, with the following terms:

- Number of Bonds: 300
- Expiry dates: From 12.03.2007 until 12.03.2018
- Par Value: € 100,000
- Interest rate: Euribor + margin (spread) 1%
- Reassurance: Mortgage € 39 million to the tangible fixed assets

For the loan obligations of the Company, as of December 31, 2005 there existed mortgage on the buildings for the amount of € 41 million.

New Bonded Loan Agreement

On March 30, 2007, the Company entered into a loan agreement for $ 33.5 million with EFG EUROBANK ERGASIAS S.A., in order to exercise an option, through two companies, to purchase at acquisition value the shares of BELVEN ASSOCIATES, which is currently the beneficiary of a $ 33,269,892.57 loan to BEOGRADSKO PREDUZECEE A.D., the company which owns the "Hyatt Regency" Hotel in Belgrade, secured by mortgage on the property of the hotel. Under current conditions, the terms and conditions of the foregoing loan are deemed particularly favorable in terms of repayment. The Company published its relevant announcement in a Press Release dated June 7, 2006.

Subsequently, on Friday, May 18, 2007, an agreement was entered into with EFG EUROBANK ERGASIAS S.A. regarding the granting of a 15-year common bonded loan for $ 33,500,064.00, approved by the Company's Board of Directors at its sitting on April 27, 2007. The Board of Directors negotiated exceptional terms for the loan from EFG EUROBANK ERGASIAS S.A. to refinance the above bank facility using the Bonded Loan, leading further to a significant improvement in its financial results also due to a decrease in financial costs.

The Board of Directors believes that the acquisition of the foregoing subsidiaries of BELVEN ASSOCIATES shall have a direct positive effect on the Company's financial results.

A summary of the terms of the new bonded loan is provided below:

- Number of bonds: 204

- Maturity dates: between June 18, 2007 and May 20, 2024

- Bond face value: $ 164,216

- Interest rate: Libor + a 0.9% spread

- Security: A second class mortgage is to be created for $ 43.55 million on the Company's property.

4.4 DESCRIPTION OF BUSINESS

LAMPSA HELLENIC HOTELS S.A. focuses its business on the hospitality sector, particularly on luxury hotels. The Company's main area of activity is the ownership and exploitation of the "Grande Bretagne" Hotel in Athens and the participation in the "Hyatt Regency" Hotel in Belgrade with a percentage of 51%.

The contribution of the various goods – services to the Turnover of the Company for the period 2005 – 2006 is as follows:

(In thousand €)	2006	2005	Difference %
Revenues from rooms	19,614,648	17,621,269	11.31%
Food and beverage sales	13,317,006	11,873,251	12.16%
SPA and health club sales	829,130	774,785	7.01%
Telephone revenues	209,950	257,109	-18.34%
Other revenues	671,092	474,404	41.46%
TOTAL	34,641,826	31,000,818	11.74%

4.4.1 "Grande Bretagne" Hotel

The "Grande Bretagne" Hotel features 262 luxury rooms and 59 suites, including one Presidential and one Royal. The increase in the number of suites, the merging of smaller rooms and the creation of a Royal and a Presidential suite of the highest standards have reduced the number of rooms in the Hotel from 365 to 321 and have led to a substantial increase in quality standards.

GB Corner, the renowned "hangout" for politicians and intellectuals, operates as a brasserie. The area has not compromised its classical identity. Walls and ceiling in pastel colors, 1900 art-deco furniture and comfortable leather seats lend it a unique, relaxing atmosphere in a stylish environment.

The **Alexander's Bar** and **Winter Garden** café-restaurant are open daily, from 6 a.m. to 2 p.m. Each has its own distinctive style, but they share the same high standards of service. The wide range of Greek and foreign wines and the impressive cigar collection kept in a specially designed humidor are sure to meet requirements of the highest level.

The **GB Roof Garden Bar-Restaurant** is open during the summer months on the building's main rooftop, commanding a magnificent view of the Acropolis with the Saronic Gulf and the Old Palace in the distance, and an equally wonderful view of the National Gardens set against Mt. Hymmetus in the background.

The Hotel's luxury **Spa** is definitely a most welcome addition, featuring six specially designed rooms for personal care and treatment. The indoor heated swimming pool and the state-of-the-art gym occupying an area totaling 1,050 m^2 provide Hotel guests and members with rare moments of relaxation and care.

The Grand Ballroom, the well-known multi-functional hall, can be conveniently divided into three smaller areas, depending on the requirements of the particular event. The **Golden Room** is a new hall covering an area of 310 m^2, which can, likewise, be divided into four smaller halls. There are another three custom-made halls, fully equipped with state-of-the-art technology, measuring 47, 27, and 27 m^2 respectively, which are best suited for business meetings and conferences.

In the **Royal Room**, hotel guests have the opportunity to savor a sumptuous breakfast in a spacious and congenial hall of exquisite decoration, which emanates luxury and style.

Finally, a unique feature of the "Grande Bretagne" Hotel is the **Cellar** - a dedicated area for private meals, where provisions have been made for storing wine under ideal conditions of temperature and humidity.

4.4.2 “Hyatt Regency” Hotel in Belgrade

The “Hyatt Regency” Hotel in Belgrade is located in the heart of the New Town, at a close distance from Belgrade. The Hotel features 301 luxury rooms, as well as a Presidential, a King, an Executive and a Diplomatic suite.

Furthermore, the Hotel includes ample areas for recreation, dining and support, which include:

- The **Metropolitan Grill** restaurant
- The **Tea House**
- **The Bar**
- The **Club Olympus Fitness Center & Spa**
- A golf – course
- An indoor heated pool and Jacuzzi
- Business Center facilities
- Meeting and conference halls
- Function rooms
- Souvenir and gift shops, jeweler, travel agency, hairdresser and car rental services.
- A Parking area of 1300 m^2, accommodating 136 cars.

It is noted that HYATT INTERNATIONAL will remain manager of the Hotel for the forthcoming twenty-three (23) years.

4.5 FIXED ASSETS – GUARANTEES & REAL SAFETIES

Intangible Assets

Expenses for installation, fixed assets, reorganization and other costs are part of the Company's intangible assets.

The intangible assets of the Company for the financial year 2006 are presented on the following table:

(In thousand €)	Sorftware	Other	Total
Cost of acquisition on 01.01.2005	285	-	285
Minus: accumulated depreciation and value impairment	(250)	-	(250)
Book Value on 01.01 2005	35	-	35
Additions	11	-	11
Depreciation of year 2005	(14)	-	(14)
Cost of acquisition on 31.12.2005	295	-	295
Minus: accumulated depreciation	(264)	-	(264)
Book Value on 31.12.2005	31	-	31
Additions	8	-	8
Depreciation of year 2006	(14)	-	(14)
Cost of acquisition on 31.12.20006	303	-	303
Minus: accumulated depreciation	(278)	-	(278)
Book Value on 31.12.2006	25	-	25

Privately-owned Land - Building Facilities

The fixed assets of the Company have been evaluated at their acquisition price (historical cost), except for plots of land and buildings, whose value has been adjusted in accordance with Decisions Nos. 148/67, 542/77, 1249/82, 2665/88 and 2065/92 of the Law, increased by the value of the improvements and additions, and decreased by the depreciation provided for in the Law.

The Company is in possession of the "Grande Bretagne" Hotel - a seven-storeyed structure that extends along V. Georgiou A', Panepistimiou and Voukourestiou Streets. The plot of land covers an area of 3,755 m^2, and the building located on the aforesaid plot occupies a total area of 26,035 m^2.

The Company also owns 7 stores on Voukourestiou Street - one of the main shopping streets in Athens – which it rents by lease.

The privately-owned property of the Company is listed below:

PLOTS OF LAND

Municipality	Street	Number	Area (m^2)	Date of Acquisition	% of Ownership
Athens	V. Georgiou A'	1	3,470	1919	100
Athens	Voukourestiou	6	285	1950	35

BUILDINGS

Municipality	Street	Number	Area (m^2)	Date of Acquisition	% of Ownership
Athens	V. Georgiou A'	1	19,135	1919	100
Athens	Voukourestiou	6	6,900	1950	100

Machinery

The machinery and means of transportation owned by the Company are shown on the following table:

TYPE OF EQUIPMENT	DESCRIPTION
	MACHINERY, REFRIGERATORS, TELEPHONE INSTALLATIONS, TELEPHONE SETS, TELEVISION SETS, RADIOS, SPEAKERS, FIRE FIGHTING EQUIPMENT, AIR CONDITION INSTALLATIONS, OTHER TECHNICAL INSTALLATIONS, TOOLS, DRILLS, OTHER MACHINERY, COMPRESSORS, POWER GENERATORS
MEANS OF TRANSPORTATION	PASSENGER CAR MITSUBISHI YEZ 4393 (MINI BUS), PASSENGER CAR BMW 520i A/K, ZME 6000, PASSENGER CAR ROVER YZI 1470, MOTORBIKE HONDA SH150 No IPY 0713/CHASSIS NO. 4993
OTHER EQUIPMENT	ASSORTED FURNITURE, SOTHEBY'S & CHRISTIE'S ANTIQUES, LINEN, REFRIGERATORS, MINI BAR, CARPETS, FABRICS, PAINTINGS, SILVER OR SILVER-PLATED CUTLERY, KITCHEN UTENSILS, ASSORTED UTENSILS, ASSORTED OFFICE MACHINES, PCs & ELECTRONIC EQUIPMENT, PRINTERS, SOFTWARE PROGRAMS, KITCHEN EQUIPMENT, LAUNRY EQUIPMENT, CLOTHING, TELEX, RADIO AND ELECTRONIC DEVICES, TELEPHONE EXCHANGE CENTERS, TELEPHONE SETS, OTHER TELECOMMUNICATIONS EQUIPMENT, PHOTO FRAMES, PHOTOS, ENGRAVINGS, FLOWER POTS, SAFES, CIGAR EQUIPMENT, MIRRORS, FLAGS, LIGHTING, VACUUM CLEANERS, JUICERS, PIANOS, EXERCISE EQUIPMENT, SECURITY SYSTEM, CLOAK ROOM, SPA EQUIPMENT, HAIRDRESSING EQUIPMENT

4.5.1 CHANGES IN THE BOOK VALUE OF FIXED ASSETS

The table below shows the changes in the fixed assets for the period 2005 - 2006:

(In thousand €)	Land	Buildings	Machinery	Vehicles	Furniture & Other Equipment	Fixed Assets under Construction	Total
Gross Book value (or estimated cost of acquisition) on 01.01.2005	27,414	65,188	4,230	88	7,504	0	104,424
Minus: accumulated depreciation and value impairment	0	(9,537)	(1,060)	(47)	(5,111)	0	(15,754)
Book Value on 01.01.2005	27,414	55,651	3,170	41	2,394	0	88,670
Additions		457	77	3	230	56	824
Transfers		0	0	0	0	0	0
Sales – Reductions		0	0	0	0	0	0
Depreciation of year 2005		(1,758)	(636)	(10)	(420)	0	(2,824)
Depreciation of Sold - Reduced Assets		0	0	0	0	0	0
Gross book value (or estimated cost of acquisition) on 31.12.2005	27,414	65,645	4,307	91	7,734	56	105,248
Minus: accumulated depreciation	0	(11,295)	(1,695)	(56)	(5,531)		(18,578)
Book Value on 31.12.2005	27,414	54,351	2,612	35	2,203	56	86,670
Additions		1,567	59		690	1,405	3,721
Plus/(minus) adjustments			0	0	(18)	(1,446)	(1,464)
Sales – Reduction		0	0	0		0	0
Depreciation of year 2006		(1,776)	(647)	(10)	(412)	0	(2,845)
Depreciation of Sold - Reduced Assets		0	0	0	(4)	0	0
Gross book value (or estimated cost of acquisition) on 31.12.2006	27,414	67,212	4,366	91	8,406	15	107,505
Minus: accumulated depreciation	0	(13,071)	(2,342)	(66)	(5,939)	0	(21,420)
Plus/(minus) adjustments		0					0
Book Value on 31.12.2006	27,414	54,142	2,024	25	2,468	16	86,087

Prenotices – Mortgages

On December 31, 2004, prenotices existed on the Hotel amounting to € 86,811,958.92, compared to € 41,311,958.91 on December 31, 2005. The prenotices on the Hotel were registered under ALPHA BANK S.A. by way of reassurance for the loan obligation amounting to € 30 million.

The prenotices have already been cleared and a mortgage amounting to € 39 million has been registered under EUROBANK by way of reassurance for the Bonded Loan that had been agreed upon between the Company and the aforesaid bank.

Funded Rental Agreements

The Company has never entered into any funded rental agreement.

Insurance Contracts

The Company has signed insurance contracts for its fixed assets with two insurance agencies:

- For property damage
- For third-party insurance

The following table shows the insurance contracts signed by the Company:

Contract Number	Period of Coverage	Insurance Company	Insured Amount (€)	Type of Coverage
6017473	15.05.06 - 15.05.07	Phoenix Metrolife Emporiki	106,126,354.00	Property Damage
16005858	01.01.07 - 31.12.07	Phoenix Metrolife Emporiki	8,520,060.00	Third-Party

4.6 EVOLUTION OF SHARE CAPITAL

Today, the Company's Share Capital amounts to € 23,927,680 divided into 21,364,000 ordinary registered shares, each of a nominal value of € 1.12.

The above capital evolved as follows:

The initial Share Capital was set at GRD 3,000,000, divided into 30,000 shares, each of a nominal value of GRD 100, in accordance with Issue No. 294/13.12.1918 of the Government Gazette, and was increased as detailed below:

a) By virtue of a resolution of the Board of Directors dated January 11, 1926, by GRD 3,500,000, by way of issuance of 35,000 shares, each of a nominal value of GRD 100, which were paid-in in cash.

b) By virtue of a resolution of the General Meeting dated April 26, 1929, which appeared in Issue No. 244/31.07.1929 of the S.A.s Bulletin, by GRD 3,500,000, by way of issuance of 35,000 shares, each of a nominal value of GRD 100, which were paid-in in cash. c) By virtue of a resolution of the General Meeting dated August 17, 1942, which appeared in Issue No. 377/18.12.1942 of the SAs Bulletin, by GRD 2,000,000, by way of issuance of 20,000 new shares, each of a nominal value of GRD 100, which were paid-in in cash.

d) By virtue of a resolution of the General Meeting dated May 21, 1951, which appeared in Issue No. 14.5/23.05.1951 of the SAs Bulletin, by GRD 1,200,000, by way of issuance of 12,000 new shares, each of a nominal value of GRD 100, which were paid-in in cash. This way, the capital rose to GRD 13,200,000, divided into 132,000 shares.

By virtue of a resolution of the Board of Directors dated December 22, 1955, and in accordance with Law 2824/1954, this capital was increased by GRD 800, by way of issuance of 8,000 new shares, each of a nominal value of GRD 0.10, which were paid-in in cash, and so it rose to GRD 14,000, divided into 140,000 shares - which were paid-in in cash and in kind. This capital was subsequently readjusted in accordance with the Royal Decree of 14.11.1959 concerning "The Readjustment of Sociétés Anonymes Balance Sheets" and came to GRD 38,803,953, while after deducting GRD 23,953 that counted towards statutory reserve, the Share Capital stood at GRD 38,780,000, divided into 140,000 shares, each of a nominal value of GRD 277.

The aforesaid capital was increased: a) by virtue of a resolution of the General Meeting dated February 20, 1958, which appeared in Issue No. 135/19.04.1958 of the SAs Bulletin, by GRD 2,770,000, by way of issuance of 10,000 new shares, each of a nominal value of GRD 277, which were paid-in in cash; b) by virtue of a resolution of the General Meeting dated May 15, 1961, which appeared in Issue No. 528/18.11.1961 of the SAs Bulletin, by GRD 47,090,000, divided into 170,000 shares, each of a nominal value of GRD 277.

By virtue of a resolution of the General Meeting dated May 22, 1963, the capital was increased by GRD 4,709,000, which was paid in to half the nominal value of each share up to 12.07.1963 and the rest was paid in by 30.07.1964, by way of issuance of 17,000 new shares, each of a nominal value of GRD 277. The capital was then set to GRD 51,799,000, divided into 187,000 shares, each of a nominal value of GRD 277, which was paid-in in cash and in kind. The aforesaid 17,000 shares remain registered until they are paid off.

By virtue of a resolution of the General Meeting dated May 31, 1971, the capital was increased, in accordance with Law No. 148/1967, by the amount of GRD 10,526,000 through a capitalization of an equal part of the special issuing of shares above par reserve that amounted to GRD 11,538,740, based on the Committee's evaluation report dated October 13, 1969 and issued in accordance with Article 9 of Law Code No. 2190, which duly appeared in Issue No. 528/30.04.1971 of the SAs Bulletin in the Government Gazette, by way of issuance of 38,000 new shares, each of a nominal value of GRD 277, which were distributed free-of-charge to the Shareholders at the time of issue, in proportion to their participation in the capital.

This way, the capital stood at GRD 62,325,000, divided into 225,000 shares, each of a nominal value of GRD 277. By virtue of a decision of the General Meeting, dated May 31, 1967, the nominal value of each one of the shares was reduced to GRD 150, and hence the capital amounting to GRD 62,325,000 was divided into 415,500 shares, each of a nominal value of GRD 150, which were paid-in in cash. The capital now stood at GRD 66,000,000, divided into 440,000 shares, each of a nominal value of GRD 150.

By virtue of a resolution of the General Meeting of the Shareholders which convened on September 23, 1972, the capital increased by GRD 371,377,050 through the capitalization, in accordance with Law 148/67, of that amount from the surplus value of GRD 371,377,161 of the Company's fixed assets – specifically of the plots of land on which the "Grande Bretagne" Hotel and the Company laundry stand, in accordance with the evaluation concluded with the Committee's evaluation report dated August 18, 1972, according to Article 9 of Law Code No. 2190/20. The increase of GRD 371,377,050 was implemented by way of issuance of 2,475,847 new shares, each of a nominal value of GRD 150, which were distributed free-of-charge to the Shareholders at the time of issue, in proportion to their participation in the capital. This way, the capital stood at GRD 437,377,050, divided into 2,915,847 shares, each of a nominal value of GRD 150.

Following a resolution of an Ordinary General Meeting of the Shareholders, this capital increased by GRD 28,283,850 through the capitalization, on one hand, of GRD 28,283,708 from surplus value – which came about in accordance with Law 1249/82 from the valuation adjustments of the landed property acquired by the Company since 1973 – and on the other, of GRD 142 from the extraordinary reserve. The increase of GRD 28,283,850 was implemented by way of issuance of 188,559 new shares, each of a nominal value of GRD 150, which were distributed free-of-charge to the Shareholders at the time of issue, in proportion to their participation in the capital. This way, the capital stood at GRD 465,660,900, divided into 3,104,406 shares, each of a nominal value of GRD 150.

Following a resolution of the Ordinary General Meeting of the Shareholders dated June 30, 1989, the aforesaid capital increased by GRD 814,906,500, through the capitalization of that amount from the surplus value of GRD 815,203,594 – which came about from the valuation adjustments of the Company's landed property, in accordance with Ministerial Decision E 2665/88. The above increase was implemented by way of issuance of 5,432,710 new shares, each of a nominal value of GRD 150, which were distributed free-of-charge to the Shareholders at the time of issue, in proportion to their participation in the capital. This way, the capital stood at GRD 1,280,567,400, divided into 8,537,116 shares, each of a nominal value of GRD 150.

By virtue of a resolution of the Extraordinary General Meeting of the Shareholders convened on February 24, 1993, the aforesaid capital was increased by GRD 1,008,432,600, through a capitalization to that amount that resulted from the valuation adjustment of the Company's landed property, in accordance with Law 2065/1992, to the amount of GRD 1,008,856,627, of which GRD 427,027 were deducted and transferred to the liabilities section "Variation of the valuation adjustments of landed property". The above increase was implemented by way of issuance of 6,722,884 new shares, each of a nominal value of GRD 150, which were distributed free-of-charge to the Shareholders at the time of issue, in proportion to their participation in the capital.

By virtue of a resolution of the Ordinary General Meeting of the Shareholders convened on June 30, 1997, the capital was further increased by GRD 1,983,800,000, by means of a capitalization to that amount that resulted from the valuation adjustment of the Company's landed property, in accordance with Law 2065/1992, to the amount of GRD 1,985,662,077, of which GRD 1,862,077 were deducted and transferred to the liabilities section "Variation of the valuation adjustments of landed property".

The aforesaid increase was implemented by the increase of the nominal value of each share by GRD 130, so that the nominal value of each share stood at GRD 280. Consequently, the capital reached GRD 4,272,800,000, divided into15,260,000 shares, each of a nominal value of GRD 280.

By virtue of a new resolution of the Ordinary General Meeting of the Shareholders dated June 27, 2002, the aforesaid capital was re-denominated into Euro and stood at € 12,539,398.39, divided into 15,260,000 shares, each of a nominal value of € 0.82. It was also increased by € 5,314,801.61 through a capitalization to that amount of the variation of the valuation adjustments of the Company's landed property, in accordance with Law 2065/1992. The aforesaid increase was brought about by an increase in the nominal value of each share by € 0.35, so that the nominal value of each share came to € 1.17.

On October 1, 2003, the Extraordinary General Meeting of the Shareholders (Repeat session) resolved, by majority vote, upon an increase in the Company's Share Capital by € 7,141,680.00, through the issuance of a total of 6,104,000 new ordinary registered shares, each of a nominal value of € 1.17. The increase was paid-in in cash. By virtue of a resolution of the Extraordinary General Meeting, existing Shareholders were awarded pre-emption rights at a ratio of four (4) new shares for every ten (10) existing ones, and at a disposition price of € 7.50 per share.

By virtue of a resolution at the Extraordinary General Meeting dated June 22, 2005, the Company's Share Capital was reduced by € 1,495,480, the nominal value of each share was reduced by € 0.07, and the Shareholders were refunded the difference.

The margin from the issuing of shares above par € 6.33 per share (to a total of € 38,638,320) will be credited to the account "Variation from the issuing of shares above par".

By virtue of a resolution at the Extraordinary General Meeting of Shareholders dated June 6, 2006, the Company ‘s Share Capital was increased by € 427,280, with a corresponding increase in the nominal value of the share by € 0.02. Thus, the Company ‘s Share Capital currently stands at 23,927,680, divided into 21,364,000 shares, each of a nominal value of € 1.12.

This way, the Company's capital stands today at c 23,500,400, divided into 21,264,000 shares, each of a nominal value of € 1.10.

The evolution of the Share Capital of the Company since its establishment is presented on the following table:

YEAR	GGV Number	Decision	Date	Increase Amount	Nominal Share Value	Share Capital after Increase	Cash	Capitalization Reproduction	Total share
1919	294/13.12.1919		ESTABLISHMENT	3,000,000	100	3,000,000	3,000,000		30,000
1926	251/11.1.1926	B.o.D.	11.01.1926	3,500,000	100	6,500,000	3,500,000		65,000
1929	244/31.7.1929	G.M.	26.04.1929	3,500,000	100	10,000,000	3,500,000		100,000
1942	377/18.12.1942	G.M.	17.08.1942	2,000,000	100	12,000,000	2,000,000		120,000
1951	145/23.3.1951	G.M.	21.03.1951	1,200,000	100	13,200,000	1,200,000		132,000
1955	N. 2824/1954	B.o.D.	22.12.1955	800	100	14,000	800		140,000
1959	Β.Δ. 14.11.1959		14.11.1959	38,780,000	277	38,780,000		38,780,000	140,000
1958	135/19.4.1958	G.M.	19.04.1958	2,770,000	277	41,550,000	2,770,000		150,000
1961	528/18.11.1961	G.M.	15.05.1961	5,540,000	277	47,090,000	5,540,000		170,000
1963	241/13.11.1963	G.M.	22.05.1963	4,709,000	277	51,799,000	4,709,000		187,000
1971	A.N. 148/1967	G.M.	31.05.1971	10,526,000	277	62,325,000		10,526,000	225,000
1971	528/30.4.1971	G.M.	31.05.1971	3,675,000	150	66,000,000	3,675,000		440,000
Decrease of NV									
1972	1709/1972	G.M.	22.09.1972	371,377,040	150	437,377,050		371,377,040	2,915,847
1983	N.1249/1982	G.M.	31.05.1983	28,283,850	150	456,660,900		28,283,850	3,104,406
1989	3419/1989	G.M.	30.06.1989	814,906,500	150	1,280,567,400		814,906,500	8,537,116
1993	948/1993	G.M.	24.02.1993	1,008,432,600	150	2,289,000,000		1,008,432,600	15,260,000
1997	6155/1997	G.M.	30.06.1997	1,983,800,000	280	4,272,800,000	1,983,800,000		15,260,000
Increase of NV									
2002	8468/2002	G.M.	27.06.2002	€ 5,314,801.61	€ 1,17	€ 17,854,200.00		€ 5,314,801.61	15,260,000
Increase of NV/Redenomination €									
2003	11038/2003	G.M.	01.10.2003	€ 7.141.680,00	€ 1,17	€ 24,995,880.00	€ 7.141.680,00		21,364,000
2005	104852	G.M.	22.06.2005	(-) € 1.495.480	€ 1,10	€ 23,500,400.00			21,364,000
2006	8362	G.M.	06.06.2006	€ 427,280	€ 1,12	€ 23,927,680			21,364,000

4.7 EQUITY - BOOK VALUE OF SHARE

On the basis of data from the balance sheet dated December 31, 2006, the Share Capital and Reserves of the Company, together with the number of shares and the book value of the share, stand as follows:

Equity (In €)	31.12.2005	31.12.2006
Number of shares	21,364,000	21,364,000
Nominal value	1.10	1.12
Share Capital	23,500,400,00	23,927,680,00
Issuing of shares above par reserve	38,641,292,09	38,641,292,09
Capital reserve	301,525,59	505,217,81
Other reserves	2,361,557,50	4,096,008,04
Dividends payable	1,078,228,78	1,752,755,41
Results carried forward	0.00	0.00
Total equity	65,359,156,24	67,297,309,00
Share book value	3.11	3.15

* According to the number of shares at the end of the fiscal year.

4.8 SHAREHOLDERS – SHARE CAPITAL COMPOSITION

A. Shareholder Composition

The exact participation percentage and the right to vote of the major Shareholders of the Company are shown on the following table.

The shareholder composition and the contribution of each category to the share capital of the Company on May 15, 2007 were as follows:

	Number of Shares	Percentage
VENTURE ABILITY S.A.	10,641,580	49.81%
UBS A.G.	1,223,699	5.73%
MEGABRIT L.T.D.	1,065,540	4.99%
TALANTON INVESTMENT TRUST INC.	969,592	4.54%
BNP PARIBAS PRIVATE BANK (SWITZERLAND) S.A.	554,050	2.59%
MASTER GLORY S.A.	439,060	2.06%
DEMETRIOS KONSTANTAKATOS	411,625	1.93%
ADAMANTIOS VARIAS	254,721	1.19%
THEODOROS ALEVROMAGEIRAS	125,700	0.59%
ANGELIKI KALAMAKI - KONSTANTAKATOU	124,000	0.58%
OTHER SHAREHOLDERS	5,554,433	26.00%
		100.00%

It is evident from the above table that there is considerable dispersion of the Company's shares. It is noted that on May 15, 2007, there were no shares in pawn whose right to vote had been transferred.

It must be noted that the shares of the Company were not registered until October 8, 2002 - the date of entry in the Register of Sociétés Anonymes of the Ministry of Development, in accordance with resolution No. K2-10820/8.10.2002 of the Minister of Development, which ratified the resolution by the General Meeting of the Shareholders dated July 30, 2002 for amendment of Article 6 and the re-denomination of the shares into registered shares - Issue of the Government Gazette 10378/10.10.2002. Consequently, the Company was in no position to know about, or keep a record of, changes in its shareholder composition. The Shareholders present at General Meetings are the only available source of information.

B. Major Shareholders

Over the last three-year period, there have been changes in the company's shareholder composition. More specifically, the percentage contributions of major Shareholders were as follows:

SHAREHOLDERS	15.05.2007		31.12.2006		31.12.2005	
VENTURE ABILITY S.A.	9,861,580	46.16%	10,641,580	49.81%	10,618,320	49.70%
UBS A.G.	1,331,945	6.23%	1,309,341	6.13%	1,208,699	5.66%
JPMORGAN CHASE BANK	1,200,000	5.62%	1,200,000	5.62%		0.00%
MEGABRIT L.T.D.	1,065,540	4.99%	1,065,540	4.99%	1,065,540	4.99%
TALANTON INVESTMENT TRUST INC.	1,101,923	5.16%	1,326,191	6.21%	869,592	4.07%
BNP PARIBAS PRIVATE BANK(SWITZERLAND) S.A.	1,081,322	5.06%	1,081,322	5.06%	504,620	2.36%
MASTER GLORY S.A.	652,038	3.05%	145,985	0.68%	10,000	0.05%
MORGAN STANLEY AND CO INTERNATIONAL PLC	592,535	2.77%		0.00%		0.00%
BECKENSFIELD LIMITED	390,000	1.83%		0.00%		0.00%
WATERBECK GROUP LIMITED	390,000	1.83%		0.00%	0.00%	
THEOCHARAKI ANNA - MARIA	160,800	0.75%		0.00%		0.00%
THEOCHARAKI DESPINA	160,000	0.75%		0.00%		0.00%
KONSTANTAKATOS DEMETRIOS	109,805	0.51%	284,000	1.33%	411,625	1.93%
VARIAS ADAMANTIOS	29,021	0.14%	86,931	0.41%	286,571	1.34%
ING PIRAEUS M/F DOMESTIC EQUITY		0.00%	78,230	0.37%	136,350	0.64%
ALEVROMAGEIRAS THEODOROS		0.00%		0.00%	125,700	0.59%
BALMORAL BUSINESS S.A.		0.00%	302,000	1.41%		0.00%
KARYDI ZOI		0.00%	65,166	0.31%		0.00%
DEVONPORT MARITIME INC		0.00%	53,000	0.25%		0.00%
KOUVARAS KONSTANTINOS		0.00%	51,000	0.24%		0.00%
BRAVOU – PAPADIMITRIOU DESPINA		0.00%	50.000	0.23%		0.00%
LANDIA N.V.		0.00%	48.000	0.22%		0.00%
THE DFA INVESTMENT TRUST COMPANY -CONTINENTAL SMALL COMPANY		0.00%	42.101	0.20%		0.00%
KALAMAKI – KONSTANTAKATOU ANGELIKI	20.900	0.10%		0.00%	124.000	0.58%
EUROBANK MIDCAP PRIVATE SECTOR 50 INDEX FUND	97.936	0.46%	115.565	0.54%	110.425	0.52%
TSOURIS DEMETRIOS	85.482	0.40%	84.250	0.39%		0.00%
THEOCHARAKIS VASSILEIOS	84.655	0.40%	84.655	0.40%	84.655	0.40%
BELLOS SPYRIDON		0.00%		0.00%	76.000	0.36%
PHOENIX METROLIFE EMPORIKI S.A.		0.00%		0.00%	35.707	0.17%
GONTIKAS IOANNIS		0.00%		0.00%	56.500	0.26%

VENTURE ABILITY S.A., trusts of the Families of the LASKARIDIS Group, remains the Company's Major Shareholder.

LASKARIDIS Group

For many years, the ship-owning LASKARIDIS Group has been one of the largest Groups with refrigerated cargo ships (reefers) worldwide. Currently it operates a fleet of about 70 reefers, ranging in size between 130,000 and 560,000 cubic feet. Moreover, the LASKARIDIS Group owns the repair shipyards of Astican at Las Palmas, the Canary Islands, and Astander at Santander in the North of Spain. These are modern shipyards whose activity focuses on repairing and docking ships.

The Group is the main shareholder (95%) of RIGA TRANPORT FLEET (RTF) in Riga, Latvia - a company with a long experience and expertise in reefers. The Group assumed control of RIGA following an international public tender carried out by the National Bureau of Privatization. Today, RTF owns 13 ships.

The Group is a founding member and largest shareholder of the Consortium ALPHA REEFER TRANSPORT in Hamburg, Germany. Also participating in this Consortium are the fleets of RIGA TRANSPORT FLEET, KLAIPEDA TRANSPORT FLEET, and YUGEFTRANSFLOT in Sevastopol, Ukraine. The Pool fleet consists of 55 ships of a size up to 550,000 cubic feet.

The Group is the majority shareholder of SUNMAR INC., based in Seattle, Washington, USA, which operates reefers and tankers. Since 1990, the Group is also the exclusive bunker fuel supplier within the territorial waters of the Falkland Islands, acting as a subcontractor of the British Government for the Falkland Islands.

The LASKARIDIS Group maintains offices in Athens (Law 378/68), London, Hamburg, Madrid, Las Palmas on the Canary Islands, Vigo in Spain, Seattle, Shanghai, Riga, Pusan in Korea, and the Falkland Islands. A Group subsidiary owns 27% of the Share Capital of AEGEAN AIRLINES. The Group's interests also include the luxurious LUCKNAM PARK Hotel, which stands in a property by the same name in the English countryside, close to Bath. Finally, the Group is the controlling shareholder of LAMPSA HELLENIC HOTELS S.A., owner of the historical "Grande Bretagne" Hotel and "Hyatt Regency" Hotel in Belgrade.

4.9 ADMINISTRATION – GOVERNANCE

4.9.1 BOARD OF DIRECTORS

The Board of Directors constitutes the supreme administrative body of the Company. It lays out the strategy of the Company, supervises and monitors the management of its assets, and generally wields every authority in pursuit of its goals - apart from issues which, according to either the Greek Law or the Company's Charter, are under the jurisdiction of the General Meeting of Shareholders. According to the Company's Charter, the Board of Directors consists of seven (7) to ten (10) members, elected by the General Meeting. The Board of Directors serves for a three-year term, which may be extended until the first Ordinary General Meeting taking place after the three-year period – before, however, the end of the fourth year.

The Company's present Board of Directors consists of nine (9) members (including the Chairman/Chief Executive Officer) and has been elected for a term of three years; its tenure ends on June 22, 2008. The composition of the Company's Board of Directors is as follows:

NAME	POSITION IN THE B.o.D.
Maurice Modiano	Chairman of the B.o.D. - Executive Member
Apostolos Doxiadis	Vice-Chairman of the B.o.D. - Non-Executive Member
Nikolaos Dandolos	Chief Executive Officer - Executive Member
Georgios Galanakis	Executive Member
Philippos Spyropoulos	Non Executive Member
Athanassios Papadopoulos	Non Executive - Independent Member
Thomas Miller	Non Executive - Independent Member
Markos Tsaktanis	Non Executive - Independent Member
Nikolaos Papandreou	Non Executive - Independent Member

4.9.2 REPRESENTATION OF THE COMPANY

During the 863th meeting of the Board of Directors on May 22, 2005, in accordance with Article 24 of the Company's Charter, it was resolved, among others, that the Company is bound by the signature of the following authorized individuals acting jointly in connection with business transactions:

a) Maurice Modiano, President of the Board of Directors, first signature
b) Nikolaos Dandolos, Chief Executive Officer and Member of the B.o.D, first signature
c) Georgios Galanakis, Member of the B.o.D, first signature
d) Timotheos Ananiadis, General Manager of the Hotel, second signature
e) Konstantinos Kyriakos, Director of Finance, second signature
f) Konstantinos Vassiliadis, Accounting Officer, second signature.

Curriculum Vitae of the members of the Company's Board of Directors are briefly presented below:

Maurice Modiano, Chairman of the Board of Directors
He studied Civil Engineering at Columbia University, New York, and Financial Engineering at Stanford University. He has worked as Civil Engineer and Operations Manager for FRANK BASIL INC.

Apostolos Doxiadis, Vice-Chairman of the B.o.D.
He studied Economics at Heidelberg University and Hotel Studies at Cornell University, USA. He has been elected Chairman of the Greek Chamber of Hotel Industry for 15 years in succession. He has served as President of the Association of Hoteliers in Attika and President of the Greek Tourist Organization.

Nikolaos Dandolos, Chief Executive Officer
He studied Economics and Hotel Business Administration at the Universities of Nevada and Pacific, USA. He has twenty five years of experience in Hotel Business Administration, Casinos and the Entertainment Business. He was a Senior Officer of the Greek Tourist Organization and the Ministry of Tourism.

Georgios Galanakis, Member of the B.o.D.
He studied Law and Political Science at the University of Athens. He has been working as a Lawyer and Legal Advisor since 1976, with a specialization in Maritime and Commercial Law.

Thomas Miller, Member of the B.o.D.
He studied Political Science at Michigan University and holds a Ph.D. in International Relations from the same University. He was a career diplomat for the State Department and served terms of office as Ambassador to Greece and Croatia. He is currently International Executive Director and CEO of the international organization PLAN.

Athanassios Papadopoulos, Member of the B.o.D.
He studied Mechanical Engineering at the University of Massachusetts and Tufts University, USA. He is at currently Vice-President of CHEV HELLAS S.A., a car import and sales company, and member of the B.o.D of many other import and shipping companies.

Nikolaos A. Papandreou, Member of the B.o.D.
He is a graduate of Yale University and holds an M.A and Ph.D. in Economics from Princeton University. He is at present an Economist - Author, contributing to a large number of publications in Greece and abroad.

Philippos Spyropoulos, Member of the B.o.D.
He studied Law at the University of Athens and the London School of Economics. He holds a Ph.D. in Law from Freiburg University. He is a Lawyer at the Supreme Court of Appeal and Professor of Constitutional Law in the Law Department of Athens University.

Markos Tsaktanis, Member of the B.o.D.
He studied Economics at the University of Athens and holds a post-graduate degree in Business Administration (MBA) from London Business School. He has worked for ZOLOTAS GROUP OF COMPANIES, BANK OF AMERICA and GROUP 4 SECURITAS. He is currently President and Chief Executive Officer of GLOBAL AVIATION, a company active in Civil and Business Aviation.

4.9.3 Compensation of Members of the Board of Directors

In 2006, members of the B.o.D. received a compensation amounting to € 20,434.85 gross. This compensation was granted to Mr. Thomas Miller in his capacity as member of the B.o.D. The aforesaid compensation was included in the Company's financial expenses for the year 2006.

It is noted that there was a 35% tax and 1.2% stamp duty deduction from the above-mentioned gross compensation. The aforesaid compensation was approved by the Ordinary General Meeting. Apart from the above-mentioned compensation, there has been no other compensation, business relation or transaction over the last and current financial years between members of the Company's administration, management and auditing divisions and the Company itself.

4.9.4 CORPORATE GOVERNANCE

Brief Curriculum Vitae of Company Executives

Mr. **Timotheos Ananiadis** is General Manager of the "Grande Bretagne" Hotel. He has 25 years of experience in managerial positions at the international chain of HYATT Hotels, and three years of experience at the international chains MARIOTT and HILTON Hotels. His studies focus on issues of management planning in the hospitality sector. He has been with the Company since July 1, 2003.

Mr. **Christoforos Manolis** is Deputy Manager of the "Grande Bretagne" Hotel. He has 34 years of experience in the hospitality sector, in countries like South Africa, Bahrain, the Philippines, Australia and Japan. He also has a solid experience in the Food & Beverage sector. He has been with the Company since October 15, 2002.

Mr. **Konstantinos Kyriakos** is Director of Finance of the Group. He has a long and solid experience in commercial, hotel and multinational companies. He studied at the Athens University of Economics and the School for Tourist Business. He has been with the Company since March 22, 1999.

Mrs. **Miranda Pachnou** is Personnel Manager of the "Grande Bretagne" Hotel. She has 26 years of experience in Human Resources, in major Greek and multinational hotel companies. She also has a solid experience in education, as well as in industrial labor and insurance legislation. She has been with the Company since May 9, 1994.

Mr. **Gerald Krischek** is Marketing Director of the "Grande Bretagne" Hotel. He has a broad international experience in luxury hotels, in Austria and Switzerland. He has held the position of Sales Manager for the historic hotels "Imperial" and "Bristol" in Vienna. He has been with the Company since December 21, 2002.

Mr. **Konstantinos Mitropoulos** is Director of Engineering. He has a broad experience in the construction, industrial and engineering sectors, where he has held executive positions. He studied in New York and holds an M.Sc. in Mechanical Engineering from the University of New York. He has been with the Company since July 1, 2002.

Mrs. **Christina Papathanassiou** is Public Relations Manager of the "Grande Bretagne" Hotel. She has solid experience in the Public Relations sector and has worked in the banking and finance sectors. She has been with the Company since November 4, 2002.

Mr. **Konstantinos Vassiliadis** is the Company's Internal Auditor. He studied at the Industrial School of Higher Education and has considerable experience in commercial, shipping and air companies. He has been with the Company since November 1, 2001.

Mr. **Georgios Liapis** is Procurement Officer of the "Grande Bretagne" Hotel. He has been engaged in business and commercial activities for the procurement of luxury brands. He was in charge of the renovation of the facilities of the "Grande Bretagne" Hotel. He studied Chemistry and Economics in Greece and France, and holds a Post-graduate degree in Chemistry from Strasburg University. He has been with the Company since January 8, 2002.

The compensation granted to the above-mentioned executives of the Company (not including the compensation of the President, Vice-President of the B.o.D. and Chief Executive Officer) for the financial year 2006 ranged from a maximum of € 285,841 down to a minimum of € 50,007, amounting to a total of € 901,428. In 2007, the compensation of the executives of the Company is expected to reach € 930,000 approximately, ranging from € 52,000 to € 290,000 per person.

All members of the B.o.D. and executives of the Company are of Greek citizenship, except Messrs. Maurice Modiano and Thomas Miller, who are of American citizenship, and Mr. Gerald Krischek, who is of Austrian citizenship. None of the B.o.D. members or any executive of the Company has been convicted of dishonest acts or financial crimes, or is involved in any judicial proceedings that relate to bankruptcy or felonious acts that might prohibit them from practicing:

- Any business activity
- Any stock exchange transactions
- Any profession, such as investment consultant, bank or insurance company manager, underwriter, stock broker etc.

There are no family relations by affinity or otherwise up to and including the second degree (spouse, offspring, parent, sibling) between Board of Directors members and the executive directors of the Company.

4.9.5 PARTICIPATION OF THE COMPANY DIRECTORS

On May 30, 2007, out of the above-mentioned Board of Directors members and executive directors of the Company, Mrs. Christina Papathanassiou held 4,290 shares of the Company, corresponding to 0.020% of the Company's Share Capital, and Mr. Georgios Galanakis held 5,000 share of the Company, corresponding to 0.023% of the Company's share capital. The Board of Directors has appointed Mrs. Koralia Moraiti as the Company's Internal Auditor, responsible for the organization and Internal Auditing of the Company.

The Company declares that it has fully complied, within the prescribed time, with the obligations laid out in Law 3016/17.05.2002 for Corporate Management with respect to Sociétés Anonymes listing shares on an ordered stock exchange market and, in particular, the obligations that relate to the appointment of independent non-executive Board of Directors members, the drafting of the Company's Rules of Operation, as well as the organization and implementation of internal auditing.

4.10 CORPORATE MANAGEMENT – INTERNAL CONTROL

The fresh impetus given to the management of LAMPSA HELLENIC HOTELS S.A. underpins the idea that customers are a pivotal point of reference in the Company's outlook. The Company attaches considerable weight to the proper application of standards of operation and the adoption of principles of corporate management, in accordance with the directives of E.U 5204/2000 and Law 3016/2002. Unbiased communication of information, independent management and the dynamic support of developmental initiatives and novelties, in the context of self-adjusted control and risk-taking, are instrumental in the creation of a modern and effective model of management, where contributions from all actively interested parties increase greatly the overall value of the Company.

The Company's operational status is dependent upon:

• Flexible and Specialized Executive Management
• Solidly built channels for Administrative Information and Communication
• A Code of Sound Business Practice
• Company Regulations
• Division of Labor

Internal Control System

The activities of the Company are supported by an efficient system of internal control, in accordance with the policy of corporate management dictated by the Capital Market Commission, Greek Legislation and international directives and practices, which define the framework of the corporate attitude for companies that trade on the Athens Exchange. Management and employees alike should constantly demonstrate that every task within their respective area of competence is carried out with due sense of responsibility and transparency, so that the objectives of the system of internal control are accomplished.

More specifically, the main objectives of internal control are:

• The effective and productive accomplishment of the business goals
• The reliability of the system of administrative information and the conservative transmission of information to the genera Public
• The safeguarding of all business resources
• Full compliance with legislation, policies and Company procedures.

The necessary prerequisites for achieving the aforementioned objectives are:

• The development of a common control culture
• The application of a uniform methodology for analyzing and assessing business risks
• The timely and honest information exchange and communication, both among employees and among departments
• The adoption of fundamental principles of operation for every transactional procedure in the Company
• The systematic monitoring of all activities of the Company and assessment of their degree of success

Internal Control Division

An Internal Control Division of the Company has been in operation since the end of 2003, and was developed with the aid of executives from GRANT THORTON S.A., in collaboration with external associates of the Company and in accordance with the provisions of Law 3016/2002 and Resolution 5204/2000.

Corporate Announcements Service

The Corporate Announcements Service is entrusted with the implementation of the legislation and the communication of the Company with the governing bodies of the Commission of the Capital Market and Stock Exchange, as well as with other official quarters.

Investor Relations Department

The Investor Relations Department is responsible for communicating information to all Shareholders and providing them with assistance in exercising their rights – in accordance with the Law and the Company's Charter.

4.11 PARTICIPATION OF MEMBERS OF THE B.o.D. AND MAJOR SHAREHOLDERS IN OTHER COMPANIES

The table that follows presents the participation of members of the Board of Directors of LAMPSA HELLENIC HOTELS S.A. in other companies.

B.o.D. MEMBERS	COMPANY THEY PARTICIPATE IN	POSITION IN THE B.o.D
Georgios Galanakis	GAMING INVESTMENTS OVERSEAS S.A.	Chairman of the B.o.D.
	UNITED RESERVE S.A.	Chairman of the B.o.D.
	ASPIS BANK	Member of the B.o.D.
Nikolaos Dandolos	HELLENIC CASINO OF PARNITHA	Member of the B.o.D.
Apostolos Doxiadis	HELLENIC CATERING AMPHITRYON S.A.	Member of the B.o.D.
Maurice Modiano	ROKAS S.A.	Member of the B.o.D.
Athanasios Papadopoulos	CHEVELLAS S.A.	Vice-Chairman of the B.o.D. & C.E.O Depute
	PRIMA S.A.	Chairman of the B.o.D. & C.E.O.
	THEODOMI AKTE	Member of the B.o.D.
	TEOTEK S.A.	Member of the B.o.D.
Markos Tsaktanis	GLOBAL AVIATION S.A.	C.E.O.
	GLOBAL AIR SERVICES S.A.	C.E.O.
	TZANES S.A.	Member of the B.o.D.
	ONAR S.A.	Member of the B.o.D.

Members of B.o.D. Messrs. Thomas Miller, Philippos Spyropoulos and Nikolaos Dandolos do not participate in the B.o.D. of any other company in Greece.

List of the individuals who are subject to the provisions of Resolution 5/204/14-11-2000 Article 8 of the Capital Markets Commission.

According to Resolution 5/204/14-11-2000 Article 8 of the Capital Markets Commission, "in the 30-day term following the period corresponding to the quarterly financial statements of the Company, in accordance with Presidential Decree 360/1985, or in the possibly shorter period of time until the publication of these statements, or if they come in possession of any confidential information at any time during their term of office, as it is laid out in Article 2 of Presidential Decree 53/1992, the following individuals are granted permission to enter into transactions concerning shares of the Company, which are negotiable on the Athens Exchange, or an affiliated Company, provided they have duly notified the Board of Directors of the Company and the notification has been posted in the Daily Report of the Athens Exchange at least a day prior to the intended transaction date".

NAME	SURNAME	CORE NUMBER OF INVESTOR SHARE	STATUS	NAME	SURNAME	CORE NUMBER OF INVESTOR SHARE	RELATION	SUBSUMPTION DATE
Maurice	Modiano	00035220947	President of B.o.D				Liable	5/10/2005
Maurice	Modiano	00035220947	President of B.o.D	Iosif	Modiano	00003436455	Child	5/10/2005
Nikolaos	Dandolos	00026328778	C.E.O				Liable	5/10/2005
Nikolaos	Dandolos	00026328778	C.E.O	Paschalia	Dandolou	00026328769	Wife	5/10/2005
Georgios	Galanakis	00042613476	Executive Member of B.o.D.				Liable	5/10/2005
Georgios	Galanakis	00042613476	Executive Member of B.o.D.	Lydia	Galanaki	00043397706	Wife	5/10/2005
Konstantinos	Kyriakos	0	Director of Finan. Services				Liable	5/10/2005
Thomas	Miller	0	Non Executive Member of B.o.D.				Liable	5/10/2005
Apostolos	Doxiadis	00002575519	Vice-President of the B.o.D				Liable	5/10/2005
Athanassios	Papadopoulos	00004071658	Non Executive Member of B.o.D.				Liable	5/10/2005
Philippos	Spyropoulos	00042763027	Non Executive Member of B.o.D.				Liable	5/10/2005
Nikolaos	Papandreou	00045745997	Non Executive Member of B.o.D.				Liable	5/10/2005
Timotheos	Ananiadis	00051623855	General Manager				Liable	5/10/2005
Konstantinos	Kyriakos	0	Director of Finance	Margarita	Koronaiou	0005458688	Wife	5/10/2005
Konstantinos	Kyriakos	0	Head of Shareholder Relations Department				Liable	5/10/2005
Konstantinos	Kyriakos	0	Chief of Corporate Releases Department				Liable	5/10/2005
Konstantinos	Vasileiadis	00013451757	Chief of Accounting				Liable	5/10/2005
Koralia	Moraiti	0	Internal Auditor				Liable	5/10/2005
Christophoros	Manolis	0	Assistant Director				Liable	5/10/2005
Georgios	Deligiannis	00039445733	Certified Auditor				Liable	5/10/2005
Markos	Tsaktanis	0	Non Executive Member of B.o.D.				Liable	5/10/2005
Athanassios	Papadopoulos	00004071658	Non Executive Member of B.o.D.	Despina	Theocharaki	00011550494	Wife	5/10/2005
Apostolos	Doxiadis	00002575519	Vice-President of the B.o.D	Thomas	Doxiadis	00002580870	Child	5/10/2005
Apostolos	Doxiadis	00002575519	Vice-Presidentof the B.o.D	Sophia	Doxiadi	00002580843	Child	5/10/2005
Apostolos	Doxiadis	00002575519	Vice-President of the B.o.D	Maria	Doxiadi	00002560204	Wife	5/10/2005

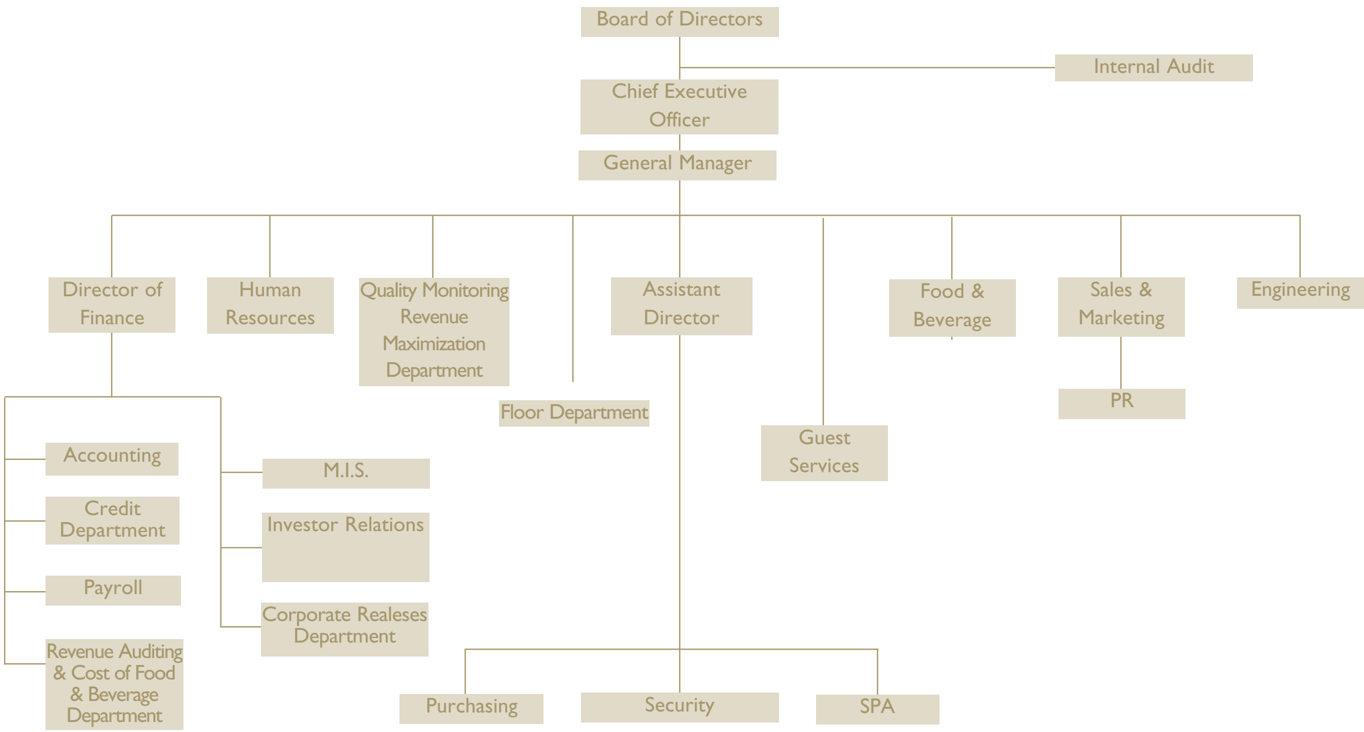
As regards other individuals mentioned in Article 8 of the aforementioned resolution, it is noted that:

a) No B.o.D member of the Company is connected with the Company by way of paid rendering of services.
b) The Director of Finance, Accounting Officer, Certified Accountant and Head of Investor Relations Department do not possess codes in the System of Intangible Deeds.
c) The Legal Advisors of the Company are not connected with it by way of a paid contract.

4.12 ORGANIZATIONAL STRUCTURE OF LAMPSA HELLENIC HOTELS S.A.

The organizational structure of the Company is so adapted as to meet to a high degree its operational and inter-business requirements: effective and flexible communication in all directions, prompt decision-making, planning and testing of the system's operational parameters, and avoidance of overlapping of responsibilities.

The Company's strategic plan is laid out by the Board of Directors and its activities are implemented through the departments appearing on the following table:



4.13 HUMAN RESOURCES

The Evolution of Human Resources

The following table shows the evolution of the number of Company employees from 2004 to 2006, counting in the contributions from each department

Average Number of Staff	2004	2005	2006
Floor and reception department	100	115	124
Food & Beverage	193	209	237
Marketing/sales department	12	15	15
Maintenance	15	16	17
Telephone/ laundry/ dry cleaner	30	32	31
Spa health club	21	23	21
Administrative	42	51	47
TOTAL	413	461	492

In the course of 2006, there were on average 492 people on the Company's payroll, most of them administrative (clerical) staff: 38 are university graduates, 89 are graduates of Technological Education Institutes, and 295 have attended various schools for the tourist industry. The Company Regulations for Labor Relations were approved by the State Employment Service for Human Resources on July 15, 1999. The Company has taken out a Group Insurance Policy for its staff.

Employee Development Policy

Well aware that human resources are instrumental in its development, the Company has been constantly investing in its employees, creating a thoroughly organized, fully equipped and, at the same time, congenial working environment, appreciating and duly rewarding the efforts put in by the staff, and providing incentives for increasing staff productivity and performance. The Company applies systems of international repute for the management of human resources including:

- Provision of a multitude of opportunities for staff training and education, through the application of specialized staff training programs, on an inter-departmental basis and in collaboration with external agents, such as the program “Starwood Cares for You”.
- Regular assessment of staff performance at all levels, contributing to the best possible realization of their potential.
- The introduction of informative programs for enhancing communication between Management and staff, like the Communication Lunch between the staff and General Manager, as well as among employees themselves, like the quarterly issue of GB News, featuring the latest news about the Hotel.
- The implementation of a wide range of special and extraordinary benefits. These programs include, among others: a Special Medicare Program, Special Pension Scheme, Bonus Payments etc.
- Provision of accommodation to Hotel staff at any of the hotels operated by the STARWOOD Group, at special discount rates through the Starhot program.
- The option of an additional three days of leave annually to all employees of the Hotel.
- The establishment of an ordinary Associates Committee with the participation of the Company's employees for the adoption of pioneering programs, the introduction of supplementary benefits and incentives, the coordination of all business activities, as well as the provision of moral satisfaction and material rewards. Moreover, the Associates Committee votes for "The Employee of the Month", who is rewarded morally and materially.
- Selecting from the executive directors "The Manager of the Year" (Manager Award), who is handsomely rewarded.
- The establishment of a "Blood Bank" at St. Sophia's Hospital for Children. The "Blood Bank" is at the disposal of the Hotel's employees and their families - a gesture of genuine love and compassion for colleagues and fellow-beings.
- Participation in the program “Starwood Associate Relief Fund” – an initiative of STARWOOD HOTELS & RESORTS WORLDWIDE INC. - aimed at supporting the members of its international “family”. The “Starwood Associate Relief Fund”

is one of the most successful welfare programs worldwide, as it was created by the people of STARWOOD themselves, through their own financial contribution, in order to support colleagues facing problems stemming from natural disasters (earthquakes, storms etc).

- Holding a range of events for the employees, such as the Annual Christmas Children's Party for the employees' children, with the participation of children in need from the S.O.S Village, the Annual Associates Party, Beach Parties, Painting Competitions for the employees' children etc.

Staff Compensation and Costs

During 2006, the compensation granted to the staff amounted to € 12,617,132.71. The following table shows the total compensation of the staff that was on the Company's payroll over the last three-year term, as per category. It is noted that "administrative (clerical) staff" includes employees remunerated monthly, while "labor and technical staff" includes employees who are paid wages.

(In thousand €)	2004	2005	2006
Administrative Staff			
Salaries	7,860.33	8,330.74	8,732.61
Social security contributions	2,193.86	2,287.31	
Laborers			
Staff paid wages	469.42	251.20	2,397.24
Social security contributions	141.28	75.40	382.05
Incidental activity revenues	800.75	862.28	106.71
Staff-leaving indemnities	69.19	133.99	928.10
TOTAL	11.534,83	11.940,92	12,617.13

4.14 MAJOR CLIENTS

The Company's clientele includes some of the largest travel agencies in Greece and abroad -highly acclaimed agencies with a long-standing experience in the field, possessing a substantial share of the Greek market. The following table shows the major customers - travel agencies of the Company in Greece:

BRAND NAME	CATEGORY	% TURNOVER
TRIAENA DESTINATION MANAGEMENT S.A.	Agency	1.57%
MINISTRY OF FOREIGN AFFAIRS	Ministry	0.94%
KIPLING EVENTS	Company	0.73%
ATHENS EXPRESS S.A.	Agency	0.61%
TRYPHON PERIEGISIS TOURS L.T.D.	Agency	0.51%
ERMAX	Company	0.40%
TOTAL		4.76%

The following table shows the major clients – travel agencies of the Company abroad:

BRAND NAME	COUNTRY	% TURNOVER
AMERICAN EXPRESS EUROPE	G. Britain	3.19%
AMERICAN EXPRESS FINE HOTELS & RESORTS	U.S.A.	1.90%
VIRTUOSO	U.S.A.	1.69%
STARWOOD HOTELS & RESORTS	U.S.A.	1.47%
TRAVEL CENTER-MANHASSET	U.S.A.	1.39%
REGIS CORPORATION	U.S.A.	1.01%

TAUCK	U.S.A.	1.01%
BARCLAYS BANK	G. Britain	0.89%
CITIGROUP	G. Britain	0.78%
TOTAL		13.35%

The majority of the above-mentioned travel agencies have had a working relationship with the Hotel for a number of years, which has proved entirely satisfactory and mutually beneficial. To this day, no permanent business agreement has been signed between the Company and its clients. Agreements have been reached upon with clients - travel agencies separately for each group staying at the Hotel. Moreover, there are no business agreements with other companies of the CIGA Group, except those referred to in the Management Agreement. Private individuals are a substantial part of the Hotel's clientele, so that the percentage contribution per person to the turnover is relatively low. The following table shows the broader areas of departure worldwide for the majority of the Hotel's clients. The data refer to the period from January 1, 2006 to December 31, 2006.

ORIGIN	CUSTOMERS PER NIGHT	%TOTAL CUSTOMERS PER NIGHT
Europe	43,339	53.34%
America	31,614	38.91%
Asia – Oceania	4,250	5.23%
Africa – Middle East	2044	2.52%
TOTAL	81,247	100.00%

As it is indicated from the above chart, 53.34% of customers originate from European countries, while an important share of the total hotel room reservations is constitutes customers from the U.S.A. (38.91%). The following chart cites the countries that have yielded the most significant amount of hotel guests from 01.01.2006 until 31.12.2006.

COUNTRY OF ORIGIN	CUSTOMERS PER NIGHT	%TOTAL CUSTOMERS PER NIGHT
United States	28,598	35.20%
Other Countries	14,799	18.21%
Greece	11,976	14.74%
G. Britain	10,378	12.77%
Germany	3,251	4.00%
Spain	2,813	3.46%
Switzerland	2,541	3.13%
France	2,528	3.11%
Italy	2,395	2.95%
Cyprus	1,968	2.42%
TOTAL	81,247	100.00%

4.15 INVESTMENTS FOR THE PERIOD 2005 - 2006

Investments for the last Three-year Term

The Company's business activity focuses on the exploitation of the historic "Grande Bretagne" Hotel with the purpose of raising it to the status of the top hospitality unit in Athens. Furthermore, the Company participates in the “Hyatt Regency” Hotel in Belgrade with 51%, as of June 6, 2006. This is the first investment ever made by the Company, as it is well-known that the

"Grande Bretagne" Hotel was the Company's sole chattel real and business activity for a hundred years.

The following table shows the Company's investments for the three-year period 2004-2006.

(In thousand €)	2004	2005	2006	Total
Plots of Land	0.00	0.00	0.00	0.00
Buildings and construction	953.48	457.42	1,568.36	2,979.26
Machinery – technical installations	52.52	77.49	59.26	189.27
Means of transportation	0.00	3.37	0.00	3.37
Furniture and fittings	297.58	230.00	671.89	1,199.47
Fixed assets under construction and advances	0.00	55.86	9.00	64.86
TOTAL	1,303.59	824.14	2,308.51	4,436.24

Investment Policy

A) Renovation of the "Grande Bretagne" Hotel

The Company has invested € 85,000,000 for the full renovation and upgrading of the "Grande Bretagne" Hotel. This investment, which was made in the context of the preparations for the 2004 Athens Olympic Games, has considerably improved the Company's position in the hospitality sector, favourably affected its turnover and is expected to produce consistently similar results in the future. The following table shows the distribution of the investment for the renovation of the Hotel:

Renovation costs of the "Grande Bretagne" Hotel

(In thousand €)	Amount	% of Investment
Total construction cost	58,195.33	69.06%
Total equipment	15,279.07	18.13%
Total administrative expenses	8,950.00	10.62%
Total financial expenses	1,841.41	2.19%
TOTAL	84,265.81	100.00%

Approximately 69% of the overall investment went into the construction cost for renovating the Hotel. The respective distribution of funds is presented on the following table:

(In thousand €)	Amount
Main construction cost	
Building activities	36,941.57
Mechanical & electrical cost	14,288.44
Subtotal (1)	51,230.01
Standard rooms	214.00
Project administration and administrative expenses	3,434.49
Architectural - design - licenses	3,316.83
Extraordinary cost	0.00
Subtotal (2)	6,965.32
Total construction cost [(3)=(1)+(2)]	58,195.33

Approximately 18% was spent on the purchase of equipment for the Hotel.

The relevant funds are detailed on the following table:

(in thousand €)	Amount
Furniture, ornaments	
Mobile Project House, Italy	4,785.34
Works of art	132.78
Local suppliers	2,411.16
Maintenance of works of art	47.39
Fabrics and curtains	780.24
Auctions	750.00
Kitchen and laundry	2,013.68
Roof restaurant and pool	22.01
SPA	124.44
Subtotal (4)	11,067.05
Expendable equipment	1,277.13
China, silver and linen	1,805.48
Subtotal (5)	3,082.61
Telephone systems and PC systems (6)	1,129.41
Total equipment [(7)=(4)+(5)+(6)]	15,279.07

Finally, 13% of the total investment met the financial expenses of that period, amounting to € 1,814.41 thousand, as well as the aggregate of the administrative expenses of the Company, to the amount of € 8,950 thousand.

B) Acquisition of the "Hyatt Regency" Hotel in Belgrade by 51%

On June 6, 2006, LAMPSA HELLENIC HOTELS S.A. acquired, through its 100% subsidiary Cyprus-based LUELLA ENTERPRISES COMPANY LTD, with own funds at the price of € 11,080,535.48, 100% of the shares of NORTH HAVEN LTD, which is based in Hong Kong and is a subsidiary of HYATT INTERNATIONAL HOLDINGS COMPANY.

NORTH HAVEN LTD holds 51% of the shares of BEOGRADSKO MESOVITO PREDUZECEE A.D., owner of the "Hyatt Regency" Hotel in Belgrade.

Moreover, LAMPSA HELLENIC HOTELS S.A. decided to exercise an option through two companies to purchase at acquisition value the shares of BELVEN ASSOCIATES, which is currently the beneficiary of a $ 33,269,892.57 loan to BEOGRADSKO MESOVITO PREDUZECEE A.D., the hotel that owns the "Hyatt Regency" Hotel in Belgrade, secured by mortgage on the property of the hotel. Under current conditions, the terms and conditions of the foregoing loan are deemed particularly favorable in terms of repayment. The relevant transaction took place on April 2, 2007.

On May 18, 2007, the Company signed an agreement with EFG EUROBANK ERGASIAS S.A. regarding the granting of a 15-year bonded loan, approved by the Board of Directors of the Company at its sitting on April 27, 2007 (c.f. 4.3).

The Board of Directors believes that the acquisition of the foregoing subsidiaries of BELVEN ASSOCIATES shall have a direct positive effect on the financial results of the Company.

Finally, the Company is currently negotiating for the acquisition of the remaining 49% of the "Hyatt Regency" Hotel in Belgrade, owned by NIS –the State Oil Company of Serbia.

4.16 CORPORATE SOCIAL RESPONSIBILITY

Throughout its long period of operation, and alongside the achievement of its business objectives, the Company has been active in the field of Corporate Social Responsibility. In its capacity as a healthy, active and socially responsible business, LAMPSA HELLENIC HOTELS S.A. has placed great emphasis on the support of worthwhile actions and has repeatedly taken initiative in contributing to the community.

Apart from corporate initiatives, the employees of the Hotel have themselves been active in social work. In June 2006, the staff of the "Grande Bretagne" Hotel held a session of voluntary blood donation for the twelfth year in succession, in order to sustain the operation of the "Blood Bank", which the Company has set up in St. Sophia's Hospital for Children, and placed at the disposal of the employees of the Hotel and their dependants. Alongside the blood donation, an exhibition was held in the Hotel premises, with paintings on this subject drawn by the employees' children. Furthermore, in the framework of “Starwood Associate Relief Fund” program the employees raised funds for all the colleagues around the world that have been hit by natural catastrophes.

HOTEL
GRANDE BRETAGNE
Athens

CHAPTER 5

OVERVIEW OF THE SECTOR

5.1 GENERAL CHARACTERISTICS OF THE SECTOR

The tourism sector, one of the most important sectors of the Greek economy, has a 18% contribution to the G.N.P. and is closely associated to the economic development of the country. Employment in the tourism sector exceeds 800,000 individuals, while the sector represents approximately 16% of the total investments in the country.

The improvement of tourist facilities and the increased visibility of Greece as a destination after the Olympic Games of 2004, in conjunction with the emphasis placed by the Ministry of Tourism on the country's international promotion, contributed greatly to the increase of tourism movement to Greece. According to a recent study by the World Economic Forum quoting the Indicator of Travel and Tourist Competitiveness, Greece currently occupies the 24th position among 124 countries.

Tourist movement in Greece has presented controlled fluctuations during the last few years. In 2001, the total number of foreign tourists in Greece surpassed 13 million, while during 2002 the arrivals of foreign travelers increased by 0,87% in comparison to 2001. In 2003, tourist movement was reduced due to international circumstances, while in 2004 the number of travelers was significantly increased as a result of the Olympic Games. Due to the success of the ATHENS 2004 Olympic Games and the continuous promotion of the country at that period of time, tourist movement increased and passenger arrivals reached 12,7 million during 2005. The year 2006, the second after the Olympic Games, was characterized by stabilization of the positive results and increase in the arrivals and stays by 7.7%, supporting the estimate for a reversal of the pre-Olympics recess.

The tourism sector in Greece is broken down into different subcategories, based on the destination selected and the visitor's motives for travelling. With the exception of visitors travelling on business, the main forms of tourism include:

- Traditional, recreation at tourism
- Cultural tourism
- Marine tourism - with the numerous Greek islands being the main destination
- Alternative tourism
- Cruises
- Congress Tourism

In its efforts to attract high tourism in the country, the Greek Touristic Organisation has undertaken important initiatives, such as the voting of L. 2160/93 for the issuing of operation authorisations for casinos to civilians, aiming at the reinforcement of the sector's investments. Particular emphasis is given to the essential infrastructure and the overall promotion of congress tourism, which is considered to be the peak of the tourist sector. Important actions are also made by the Ministry of Tourist Development. Additional measures, which aim to the total upgrading of tourism in the country, include legislation and other initiatives for the simplification of bureaucratic procedures and the accommodation of tourism investments; empowerment of the tourism sector; and modernization of tourism facilities and other enterprises.

5.2 THE COMPANY'S POSITION IN THE SECTOR – PROSPECTS

The hotel industry is characterized by intense competition, particularly in the category of luxury hotels. During the past four years, and due to the organization of the Olympic Games, several new hotels - in their majority boutique hotels - were established in Athens, while many of the most popular ones were radically refurbished. Today, the majority of Athenian hotels offer luxurious facilities and provide several services, thus signalling a new season for Greek hospitality.

The "Grande Bretagne" Hotel was founded in 1919 and fully operates for 86 continuous years. It is one of the largest and most luxurious hotels in Greece as well as one of the most popular in Europe. A 5-star hotel with a unique and exceptional central location, it has become a landmark of Syntagma square. Its' refurbishing was completed in 2003 and resulted in the full modernization of its facilities and the addition of new services, like that of the spa.

Within the framework of its new investment strategy, in June 2006 the Company undertook its first business endeavor outside Greece, with the acquisition of 51% of shares of the "Hyatt Regency" Hotel in Belgrade (c.f. 4.4). The Company is currently negotiating with NIS - the State Oil Company of Serbia for the purchase of the remaining 49% of the said hotel.

CHAPTER 6

ANALYSIS OF FINANCIAL DATA

6.1 FINANCIAL STATEMENTS

6.1.1 INCOME STATEMENT

(In thousand €)	Notes	GROUP 01.01 – 31.12.2006	01.01 – 31.12.2006	COMPANY 01.01 - 31.12.2005	01.01 - 31.12.2005
Revenue		45,320	34,642	31,001	31,001
Less: cost of goods sold	9.26	- 28,746	- 21,662	- 19,992	- 19,992
Net Revenue		16,575	12,980	11,009	11,009
Other operating income	9.28	4,058	635	765	765
Selling expenses	9.26	- 2,639	- 2,074	- 1,979	- 1,979
Administrative expenses	9.26	- 5,109	- 4,180	- 3,745	- 3,745
Other operating expenses	9.26	- 474	- 474	- 547	- 547
Profit Before Finance Charges & Taxes		12,410	6,887	5,503	5,503
Depreciation	9.5	3,578	2,859	2,838	2,838
Profit Before Finance Charges, Depreciation & Taxes		15,988	9,746	8,341	8,341
Financial income	9.27	144	158	169	169
Financial expenses	9.27	- 3,600	- 1,302	- 1,275	- 1,275
Financial Result		- 3,456	- 1,143	- 1,105	- 1,105
Depreciation	9.5	- 3,578	- 2,859	- 2,838	- 2,838
Profit Before Tax		8,954	5,743	4,398	4,398
Tax	9.33	- 2,081	- 1,128	- 958	- 958
Profit For the Year		6,873	4,616	3,440	3,440
Attributable to:					
Company's shareholders		5,771	4,616	3,440	3,440
Minority shareholders		1,102	-	-	-
Profit for the period per share - (in €)	9.34	0.2701	0.2161	0.1610	0.1610
Recommended dividend per share				0.0800	0.0500

Any small discrepancies in the partial summations are due to rounding.

6.1.2 BALANCE SHEET

		GROUP		COMPANY	
(In thousand €)	Notes	31.12.2006	31.12.2006	31.12.2005	31.12.2005
ASSETS					
Non Current Assets					
Tangible assets	9.5	134,018	86,087	86,670	86,670
Intangible fixed assets	9.7	525	25	31	31
Goodwill	9.8	3,483	-	-	-
Subsidiaries	9.9	-	11,100	18	18
Other long-term claims	9.10	58	53	55	55
Deferred tax assets	9.11	1,317	1,304	1,164	1,164
		139,401	98,569	87,938	87,938
Current Assets					
Inventory	9.12	1,018	433	429	429
Trade and receivables	9.13	3,168	2,695	2,383	2,383
Other receivables	9.14	950	701	580	580
Other current assets	9.14	284	212	210	210
Cash and cash equivalent	9.15	10,026	7,238	11,844	11,844
		15,446	11,279	15,447	15,447
TOTAL ASSETS		154,847	103,385	109,848	103,385
EQUITY AND LIABILITIES					
Capital And Reserves					
Share Capital	9.16	23,928	23,928	23,500	23,500
Share premium		38,641	38,641	38,641	38,641
Translation reserves		147	-	-	-
Statutory reserve		304	302	174	174
Other reserves		2,161	2,161	1,305	1,305
Dividends payable		1,695	1,709	1,068	1,068
Results carried forward		4,172	3,225	1,729	1,729
Total Equity Attributed to the Shareholders of the Company		71,048	69,965	66,418	66,418
Minority Rights		8,330	-	-	-
TOTAL EQUITY		79,378	69,965	66,418	66,418
LIABILITIES					
Long-term Liabilities					
Bond loans	9.17	27,300	27,300	-	-
Bank loans	9.17	-	-	30,000	30,000
Retirement benefit obligation & other long-term obligations	9.23	759	754	648	648
Deferred tax obligation	9.11	1,968	1,825	1,255	1,255
Other long-term obligations	9.21	29,691	-	-	-
Other provisions	9.22	109	109	130	130

Total Long-term Liabilities		59,827	29,987	32,034	32,034
Short-term Liabilities					
Short-term debenture and bank loan	9.17	3,703	3,703	-	-
Short-term and other long-term obligations	9.22	3,739	-	-	-
Trade and other payables	9.18	1,717	1,352	984	984
Taxes and social securities	9.19	2,558	1,592	1,552	1,552
Other current liabilities	9.20	2,347	1,669	1,516	1,516
Advances		1,579	1,579	882	882
Total Short-term Liabilities		15,642	9,895	4,933	4,933
Total Current Liabilities		75,469	39,883	36,967	36,967
TOTAL EQUITY AND LIABILITIES		154,847	109,848	103,385	103,385

Any small discrepancies in the partial summations are due to rounding.

6.2 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(In thousand €)	Share Capital	Premium Capital	Reserves	Retained Earnings	Total	Minority Rights	Total
Balance on 01.01.2005 According to IFRS	24,996	38,641	2,483	- 642	65,477	-	65,477
Change in equity for the period 01.01-31.12.2005							
Increase/decrease of capital	- 1,495	-	-	-	- 1,495	-	- 1,495
Dividends paid	-	-	- 1,004	-	- 1,004	-	- 1,004
Change in equity from affiliated company acquisition	-	-	-	-	-	-	-
Change in exchange dif. reserve	-	-	-	-	-	-	-
Minority rights from percentage change in the participation of the affiliated company's capital	-	-	-	-	-	-	-
Net result posted directly to equity	-	-	-	-	-	-	-
Net period result for 01.01-31.12.2005	-	-	1,068	2,372	3,440	-	3,440
Purchases (sales) of own shares	-	-	-	-	-	-	-
Profit/losses of sales of shares posted directly to equity					-	-	-
Total Period Change	- 1,495	-	64	2,372	940	-	940
					-	-	-
Equity Balance on 31.12.2005	23,500	38,641	2,547	1,729	66,418	-	66,418
Equity Balance on 01.01.2006 according to IFRS	23,500	38,641	2,547	1,729	66,418		66,418
Change in equity for the period 01.01-31.12.2006							
Increase/decrease of capital	427	-	-	-	427	-	427

Dividends paid	-	-	-	- 1,068	-	- 1,068	- 1,068
Change in equity from affiliated company acquisition	-	-		- 72	- 72	7,228	7,156
Change in exchange dif. reserve	-	-			-	-	-
Minority rights from percentage change in the participation of the affiliated company's capital	-	-		-		-	-
Net result posted directly to equity	-	-			-	-	-
Net period result for 01.01-31.12.2006	-	-	3,256	2,515	5,771	1,102	6,873
Purchases (sales) of own shares	-	-	-	-	-	-	-
Reserves that were capitalized	-	-	- 427	-	- 427	-	- 427
Total Period Change	427	-	1,760	2,443	4,630	8,330	12,961
	-	-	-	-	-	-	-
Equity Balance on 31.12.2006	23,927	38,641	4,307	4,172	71,048	8,330	79,378

6.3 STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

(In thousand €)	Share Capital	Premium Capital	Reserves	Retained Earnings	Total	Minority Rights	Total
Balance on 01.01.2005 According to IFRS	24,996	38,641	2,483	- 642	65,477	-	65,477
Change in equity for the period 01.01-31.12.2005							
Increase/decrease of capital	- 1,495	-	-	-	- 1,495	-	- 1,495
Dividends paid	-	-	- 1,004	-	- 1,004	-	- 1,004
Change in equity from affiliated company acquisition	-	-	-	-	-	-	-
Change in exchange dif. reserve	-	-	-	-	-	-	-
Minority rights from percentage change in the participation of the affiliated company's capital	-	-	-	-	-	-	-
Net result posted directly to equity	-	-	-	-	-	-	-
Net period result for 01.01-31.12.2005	-	-	1,068	2,372	3,440	-	3,440
Purchases (sales) of own shares	-	-	-	-	-	-	-
Profit/losses of sales of shares posted directly to equity					-	-	-
Total Period Change	- 1,495	-	64	2,372	940	-	940
					-	-	-
Equity Balance on 31.12.2005	23,500	38,641	2,547	1,729	66,418	-	66,418
Equity Balance on 01.01.2006 according to IFRS	23,500	38,641	2,547	1,729	66,418		66,418
Change in equity for the period 01.01-31.12.2006							
Increase/decrease of capital	427	-	-	-	427	-	427
Dividends paid	-	-	- 1,068	-	- 1,068	-	- 1,068

Change in equity from affiliated company acquisition	-	-		- 72	- 72	7,228	7,156
Change in exchange dif. reserve	-	-			-	-	-
Minority rights from percentage change in the participation of the affiliated company's capital	-	-			-	-	-
Net result posted directly to equity	-	-			-	-	-
Net period result for 01.01-31.12.2006	-	-	3,256	2,515	5,771	1,102	6,873
Purchases (sales) of own shares	-	-	-	-	-	-	-
Reserves that were capitalized	-	-	- 427	-	- 427	-	- 427
Total Period Change	427	-	1,760	2,443	4,630	8,330	12,961
	-	-	-	-	-	-	-
Equity Balance on 31.12.2006	23,927	38,641	4,307	4,172	71,048	8,330	79,378

6.4 CASH FLOW STATEMENT (indirect method)

	GROUP		COMPANY	
(In thousand €)	**31.12.2006**	**31.12.2005**	**31.12.2006**	**31.12.2005**
Profit From Operations				
Gain before taxes	8,954	4,398	5,743	4,398
Plus/Minor Adjustments for:				
Depreciation	3,578	2,838	2,859	2,838
Provisions (income from unused prior period provisions)	154	(186)	79	(186)
Interest and related income	(281)	(169)	(158)	(169)
Interest charges and related expenses	3,600	1,275	1,302	1,275
Other operating expenses	341		341	
Plus/minus adjustments for changes of accounts in working capital or related to operating activities			0	
Increase/(decrease) in inventories	(78)	(42)	(4)	(42)
Increase/(decrease) in receivables	(276)	452	(317)	452
Increase/(decrease) in accounts payable (min. banks)	999	468	1,031	468
Minus:				
Interest and related expenses paid	(848)	(1,248)	(273)	(1,248)
Tax paid	(1,005)	(642)	(981)	(642)
Net Cash From Operating Activities (a)	15,137	7,143	9,622	7,143
Investing Activities:				
(Acquisition)/disposition of affiliated companies minus their cash	(10,907)	0	(11,082)	0
Acquisition of tangible and intangible assets	(3,196)	(835)	(2,269)	(835)
Interest received	280	0	158	0

Net Cash Used in Investing Activities (b)	(13,822)	(835)	(13,193)	(835)
Cash Flows From Financing Activities:				
Capital increase	0	(1,495)		(1,495)
Receiving from loans	39	30,000	0	30,000
Purchases sales of own shares	0	0	0	0
Dividends paid to the Company's shareholders	0	0	0	0
Loan payments	(2,136)	(30,000)	0	(30,000)
Payments of leasing obligations	(1,035)	0	0	0
Dividends paid		(994)	(1,035)	(994)
Net Cash From Financing Activities (c)	(3,133)	(2,490)	(1,035)	(2,490)
Net Increase/(Decrease) in Cash and Cash Equivalents (a+b+c)	- 1,819	3,818	- 4,606	3,818
Cash and Cash Equivalents in the Beginning of the Period	11,844	8,026	11,844	8,026
Cash and Cash Equivalents at the End of the Period	10,026	11,844	7,238	11,844

Any small discrepancies in the partial summations are due to rounding.

For better comparative information the amounts of "tax paid" and "(decrease)/increase of obligations" for the year 2005 have been reenlisted. This did not create any effect to the cash flow or to any cash flow category.

6.5 FINANCIAL INFORMATION ACCORDING TO SECTION

As business sector is defined a Group of assets and functions that provide products and services that are submitted to different dangers and performances regarding the ones of other business sectors.

As geographical sector is defined a geographical region where the provided products and services that are submitted to different dangers and performances regarding the ones of other regions.

MAJOR INFORMATION SECTOR-GEOGRAPHICAL SECTORS

The sales according to sector are given below:

	Greece	Non E.U. Zone	Total
Revenue	35,082	10,239	45,321
Cost of goods sold	(22,034)	(6,711)	(28,745)
Net Revenue	13,048	3,527	16,575
Other operating income	635	3,422	4,057
Selling expenses	(2,074)	(565)	(2,639)
Administrative expenses	(4,206)	(903)	(5,109)
Other operating expenses	(474)	0	(474)
Profit Before Finance Charges & Taxes	6,929	5,481	12,410

Depreciation	2,861	717	3,578
Profit Before Finance Charges, Depreciation & Taxes	9,790	6,198	15,988
Financial income	144	0	144
Financial expenses	(1,307)	(2,293)	(3,600)
Other financial results	0	0	0
Financial Results	(1,163)	(2,293)	(3,456)
Depreciation	(2,861)	(717)	(3,578)
Profit Before Tax	5,766	3,188	8,954
Income tax	(1,142)	(939)	(2,081)
Profit After Taxes for the Year	4,624	2,249	6,873

SECOND INFORMATION SECTOR-BUSINESS SECTORS

No further analysis is required due to the fact that the revenues of Company Information derive mainly from Hotel activities.

6.6 GENERAL INFORMATION OF THE COMPANY

6.6.1 GENERAL INFORMATION

LAMPSA HELLENIC HOTELS S.A. (the "Group") is located in Athens, on Vas. Georgiou A' 1 str., and it is registered in the register of the Ministry of Development with reg. M.A.E. 6015/06/B/86/135. The Group's duration is hundred (100) years started counting from the publication to the Government Gazette of the Royal Decree that approved the Group's memorandum of association. The Group is functioning from its foundation for eighty-seven (87) years.

The principal activity of the Group is the acquisition, the construction and the exploitation of hotels in Athens and in other places, in Greece or abroad, as well as relevant companies, as the acquisition or/and the development of spas, of public spectacles, of clubs, etc.

The tenure of the B.o.D. elected from the General Meeting of the Shareholders on 22.06.2005 with three years duration and the synthesis is the below:

CHAIRMAN OF THE BOARD (Executive Member):	Maurice Modiano
VICE PRESIDENT (Non Executive Member):	Apostolos Doxiadis
MANAGING DIRECTOR (Executive Member):	Nikolaos Dandolos
EXECUTIVE MEMBER:	George Galanakis
NON-EXECUTIVE INDEPENDENT MEMBERS	Athanasios Papadopoulos Thomas Miller Markos Tsaktanis Nikolaos Papandreou Philippos Spyropoulos

The Financial Statements of the Group were approved in the meeting of the B.o.D. on 28.03.2007 and are written in the minutes No. 888 of the same date.

The Group's shares are in the Stock Market of Athens from the year 1946. The total of shares in circulation on 31.12.2006 are 21.394.000. All the Group's shares are common and registered.

In December 2001, the Group and STARWOOD HOTELS AND RESORTS WORLDVIDE INC signed a management and operation contract for the Hotel. According to this contract STARWOOD HOTELS AND RESORTS WORLDVIDE INC agreed to provide management and operational services to the "Grand Bretagne" Hotel.

Following the agreement in December 2001, STARWOOD HOTELS AND RESORTS WORLDVIDE INC undertook to restore and equip (on its own expenses) the Hotel based on certain commonly agreed specifications. STARWOOD HOTELS AND RESORTS WORLDVIDE INC will have the absolute control of the Hotel and will be responsible for its operation based on the standards used for all the hotels of the management company around the world, always according to each country's legislation.

The power of STARWOOD HOTELS AND RESORTS WORLDVIDE INC for the control and the operation of the Hotel includes its use for all the presumable aims, the room charges, the entertainment and amusement, food and beverage, management of the human resources, surveillance of the bank accounts and the maintenance of Group's cash. STARWOOD HOTELS AND RESORTS WORLDVIDE INC is in charge of the promotional and advertisement campaign and the communicative policy of the Hotel and will also provide reservation services abroad through their subsidiaries.

STARWOOD HOTELS AND RESORTS WORLDVIDE INC is also responsible for the existence and the book keeping and archives of the Company according the specific accounting standards that will be provided for audit to the internal auditors of STARWOOD HOTELS AND RESORTS WORLDVIDE INC or their subsidiaries. Authorized employees of STARWOOD HOTELS AND RESORTS WORLDVIDE INC have the jurisdiction to perform controls of the Hotel's facilities and of the quality of services provided, after notification of the management of the Hotel.

STARWOOD HOTELS AND RESORTS WORLDVIDE INC has the right to realize commissions of goods or services from subsidiaries companies since the invoicing and the terms of commissions are competitive to the ones offered by third parties. Furthermore STARWOOD HOTELS AND RESORTS WORLDVIDE INC has the right to use the Hotel's premises for the education of the employees of other hotels or subsidiaries companies.

The duration of the management contract is initially set at twenty five (25) years, with the right to be extended for another 25 years. This contract allows for a 3% fee on the turnover and 10% fee on the gross trading profit as repayment for STARWOOD HOTELS AND RESORTS WORLDVIDE INC and SHERATON INTERNATIONAL. Both these companies have limited rights for the termination of the management contract without reason.

The B.o.D. is in a constant collaboration with company that has the management to ensure the accurate and smooth operation of the B.o.D.

During the audited year the Group acquired for € 11.080.535,48 the 100 % of the Share Capital of company based in Cyprus LUELLA ENTERPRISES LTD and through it the 100 % of indirect participation of its affiliated NORTH HAVEN LTD based in Hong Kong to which belongs the 51,0044 % of company BEOGRADSKO MESOVITO PREDUZECE based in Serbia and responsible for the "Hyatt Belgrade" Hotel. The above companies are consolidated for the first time in this period. The comparative figures of the previous period are the ones of the Mother Company. (Group Structure parag. 9.4).

6.6.2 BASIS OF COMPILATION OF FINANCIAL STATEMENTS

The Financial Statements were made up according the International Financial Reporting Standards (IFRS) according to requirement 1606/2003 of the European Union (E.U.) and Law of the July 19, 2002. The Financial Statements have been prepared until 31.12.2004 according the Law 2190/1920 and the Greek Accounting Standards that in many cases were different from the requirements of the IFRS. According the regulations of the E.U. 1606/2002 and the Law 3229/04 (how it was modified by the Law 3301/04) the Greek companies that are in any Stock Market (Greek or Foreign) are obliged to prepared their financial statements, for he financial years starting from 01.01.2005 and after according the IFRS. According to the IFRS 1 "First time adoption of IFRS" and the above mentioned requirements the above companies are obliged to present comparative Financial Statements according the IFRS, at least for one financial year (31.12.2004), with effective conversion date to the IFRS the 01.01.2005. The above-mentionet companies will prepare and published the first IFRS Financial Statements within the required time frame and the closing date of the above Financial Statements will be the 31.12.2004.

The Financial Statements have been prepared according the requirements of the IFRS. Reconciliation is provided in the note 39 to the notes of theses Financial Statements showing the effect on the Financial Statements of the Greek GAAP, (Law 2190/1920) and IFRS. The above Financial Statements have been prepared on the historical cost basis except of the revaluation of certain assets and liabilities (cash, stock etc.).

6.6.2.1 SIGNIFICANT ACCOUNTING POLICIES

The accounting principles used for the preparation of the Financial Statements and the ones that the Group constantly uses are consistent with the ones used the previous fiscal year with the exemptions of the following cases:

6.6.2.2 NEW ACCOUNTING POLICIES AND INTERPRETATION OF IRFC

(In use from 2006 related with the Group activities)

• **IAF 19 (AMENDMENT) – EMPLOYEE BENEFITS (MANDATORY FROM 01.01.2006)**

It introduces the option of an alternative recognition approach for actuarial gains and losses.

The Group does not intend to change the accounting policy adopted for recognition of actuarial gains and losses so the Financial Statements are not going to be influenced

• **AMENDMENTN OF IAS 21 – CHANGES IN THE EXCHANGE RATES (MANDATORY FROM 01.01.2006)**

The amendment clarifies that the monetary elements between any affiliated companies of the Group with a foreign development can consider as part of the foreign Group investment with this development. The derived exchange rates during the consolidation are carried to the equity if the settlement of the monetary element is not going to happen in the foreseeable future. The modification is not expected to influence the Group Financial Statements since there are not any monetary elements to be settled in the foreseeable future.

• **IFRC 4. – SPECIFICATION IF A CLAIM COMPRISES LEASING**

This interpretation settles the standards for the estimation of a leasing comprised in an agreement that has not the legal type of a leasing. Any agreement that gives the right to use an asset with payment in return will be conceder as leasing.

The implementation of the IFRC 4 is not likely to change the accounting control of any of the effective Group agreements.

• **IFRC 10. – INTERMEDIATE FINANCIAL STATEMENTS AND DECREMENT**

This interpretation specifies that the particular claims of IAS 36 (for the good will) and IAS 39 (for the financial elements for sale) come before the general claims of IAS 34 so the decrement losses recognized for these elements in the intermediate period cannot be reversed in subsequent periods. The Group is not affected of the implementation of this interpretation since has not reverse decrement losses.

6.6.2.3 STANDARDS, MODIFICATIONS AND INTERPRETATIONS IN FORCE THE 2006

(No related with the Group activities)

- IFRS 6 (amendment), Exploration for and evaluation of mineral resources
- IAS 39 (amendment), Cash flow hedge accounting of forecast intragroup transactions
- IAS 39 (amendment), the fair value choice
- IAS 39 and IFRS 4 (amendment), financial guarantee contracts
- IFRS (amendment), first-time adoption of IFRS
- IFRIC 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- IFRIC 6, Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
- IFRIC 7, Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
- IFRIC 8, Scope of IFRS 2
- IFRIC 9, Reassessment of Embedded Derivatives

6.6.2.4 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS

(With later date of implementation and that the Group has not proceed to implication)

New accounting standards and interpretations are published that are not mandatory for use for the accounting periods starting from 01.01.2006. The Group estimation for the effect of these standards and interpretations is the following:

• **IAS 1 Presentation of Financial Statements**

Due to the issuance of IFRS 7 some amendments to IAS 1 Presentation of Financial Statements were necessary. Requirements were added to IAS 1 that an entity shall disclose information that enables users of its Financial Statements to evaluate the goals, policies and management of the Group's capital. The Group will implement the amendment of IAS 1as of 01.01.2007.

• **IFRS 7 Financial Instruments: Disclosures**

IFRS 7 applies to all risks arising from all financial instruments, except those instruments specifically excluded (e.g. interests in subsidiaries, associates and joint ventures, etc.). The objective of the disclosures is to provide an overview of the entity's use of financial instruments and the exposure to risks they create. The IFRS is effective for annual periods beginning on or after 01.01. 2007. The extent of the disclosure required depends on the extent of the entity's use of financial instruments and of its exposure to risk. IFRS 7 supersedes IAS 30 and the disclosure requirements of IAS 32 but the presentation requirements of IAS 32 remain unchanged. The Group will apply the IFRS as of 01.01.2007.

- **IFRS 8 Operating Segments**

IFRS 8 retains the general scope of IAS 14 and settles different demands of publicity regards reporting according to segment. IFRS 8 applies for annual periods beginning on or after 01.01. 2009, then it is going to be applicable.

- **IFRIC 11 IFRS 2- Group and Treasury Share Transactions**

IFRIC 11 provides guidance on whether specific share-based payment arrangements should be accounted for as equity-settled or cash-settled schemes in accordance with IFRS 2. IFRIC11 applies for annual periods beginning on or after 01.01.2007 and it is not going to affect the Group.

- **IFRIC 12 Service Concession Arrangements**

IFRIC 12 provides guidance on the way that an administrator of an assignment of service must implement IFRS to post the obligations deriving from the rights of the agreements of giving a right.

This interpretation is mandatory for the accounting periods beginning on or after 01.01.2008.

6.6.2.5 SIGNIFICANT ACCOUNTING JUDGMENTS ESTIMATIONS AND ASSUMPTIONS

The preparation of Financial Statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimations and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

ACCOUNTING DECISIONS

During the implementation of the accounting policies, decisions are taken concerning:

- Classification of investments
- Recoverability of accounts receivable
- Obsolescence in inventory
- Classification of a lease as financial lease or operational.

ESTIMATES AND ASSUMPTIONS

Certain amounts included in or affecting our Financial Statements and related disclosure must be estimated, requiring us to make assumptions with respect to values or conditions which cannot be known with certainty at the time the Financial Statements are prepared. The Group evaluates such estimates on an ongoing basis, based upon historical results and experience, consultation with experts, trends and other methods considered reasonable in the particular circumstances, as well as our forecasts as to how these might change in the future.

Estimations and assumptions required are:

- Estimation of impairment of goodwill
- Provisions for future income taxes and differed taxes
- Fair value of derivatives and other financial means
- Provisions
- Possible claims and obligations

CONSOLIDATION

(A) SUBSIDIARIES

All the companies that are managed or controlled, directly or indirectly, by another company (parent) either through the holding of majority voting rights in the undertaking or through its dependence on the know-how provided from the Group. That is to say those subsidiaries are companies in which control is exercised by the parent. The Group "LAMPSA SA" acquires and practices the control through the voting rights. The subsidiaries are the companies that control is exercised from the parent company. The existence of potential voting rights that are exercisable at the time the Financial Statements are compiled is taken into account in order to determine whether the parent exercises control over the subsidiaries. Subsidiaries are consolidated completely (full consolidation) with the purchase method from the date that control over them is acquired and cease to be consolidated from the date that this control no longer exists.

The acquisition of a subsidiary by the Group is accounted for using the purchase method. The acquisition cost of a subsidiary is the fair value of the assets given as consideration, the shares issued and the liabilities undertaken on the date of the acquisition plus any costs directly associated with the transaction. The individual assets, liabilities and contingent liabilities that are acquired during a business combination are valued during the acquisition at their fair values regardless of the participation percentage. The acquisition cost over and above the fair value of the individual assets acquired is booked as goodwill. If the total cost of the acquisition is lower than the fair value of the individual assets acquired, the difference is immediately booked to the results.

Inter-company transactions, balances and unrealized profits from transactions between Group companies are written-off. Unrealized losses are also written-off except if the transaction provides indication of impairment of the transferred asset. The accounting principles of the subsidiaries have been amended so as to conform to the ones adopted by the Group.

Transactions with the minority: the Group uses the accounting policy that conceders these transactions as third parties out of Group transactions. Sales to the minority create profit and losses for the Group that are posted to the income statement. Purchases from the minority create surplus value that is the difference between money paid and the percentage of the equity accounting value of the subsidiary acquired.

INFORMATION ACCORDING TO SECTION

As business sector is defined a Group of assets and functions that provide products and services that are submitted to different dangers and performances regarding the ones of other business sectors. As geographical sector is defined a geographical region where the provided products and services that are submitted to different dangers and performances regarding the ones of other regions.

FOREIGN CURRENCY CONVERSION

(A) FUNCTION CURRENCY AND PRESENTATION CURRENCY

The measurement of the items in the Financial Statements of the Group's companies is based on the currency of the primary economic environment in which the Group operates (operating currency). The consolidated Financial Statements are reported in euros, which is the operating currency and the reporting currency of the parent Company.

(B) TRANSACTIONS AND OTHER

Transactions in foreign currencies are converted to the operating currency using the rates in effect at the date of the transactions (spot exchange rate). Profits and losses from foreign exchange differences that result from the settlement of such transactions during the period and from the conversion of monetary items denominated in foreign currency using the rate in effect at the balance sheet date, are posted to the results with the exemption of transactions deriving from estimation of derivatives that are used to compensate the cash-flow. Foreign exchange differences from non-monetary items that are valued at their fair value are considered as part of their fair value and are thus treated similarly to fair value differences.

TANGIBLE FIXED ASSETS

Fixed assets are reflected in the Financial Statements in the acquisition value. The property and the equipment values are presented diminished by the subsequent accumulated depreciation and subsequent accumulated impairment losses. Cost includes all the expenses for the acquisition of the above elements.

The last escalation was for the value of the land. The IFRS 1"first adoption" in the paragraph 17b states that Company Information that for the first time adopts IFRS, in the transition date to the IFRS, can decide that previous fixed assets escalations that were calculated with other accounting standards (GAAP) are part of the acquisition cost on condition that in the time that the escalation happened the value reflects the change of one or specific rate.

Expenses created for the replacement of significant elements of the assets are capitalized

Other future expenses realized for the fixed assets are capitalized only in the case that they raise the future financial benefits that are expected to come from the utilization of these assets.

The rest expenses, realized for the fixed assets, are capitalized only if they add value to the future benefits coming for the use of the above assets.

All the rest maintenance, amendment etc. expenses are registered as expenses in the date of their realization.

Depreciation is provided on the cost in equal annual installments over the estimated remaining useful life of the assets, except for land and assets under construction. Under the straight-line method, the depreciation charge to the income statement is the same for the useful life of the asset, except if this changes.

The following depreciation rates are used:

Buildings-fixtures	2-3%
Machinery and mechanical equipment	15%
Transportation equipment	15%
Furniture and fittings	15%
Office machines and telecommunication equipment	20%
Printers/hardware	24%

Land is not depreciated. The leased assets are depreciated according to the Company's depreciation policy or the duration of the leasing contract if it is smaller than the life of the asset.

The gain or loss on the disposal or retirement of an item of property is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognized in the income statement.

OTHER INTANGIBLE ASSETS

(A) SIGNS AND LICENSES

Signs and licenses are valued at fair value at their date of concession less accumulated depreciation.

(B) SOFTWARE

The authorizations of software are valued in the cost less accumulated depreciation. The accumulated depreciation they are held with the constant method at the duration of beneficial life assets who oscillates from 1 until 3 years. Expenses required for development and maintenance are consider as expenses.

(C) RESEARCH AND DEVELOPMENT EXPENSES

Research expenses are recognized as expenses upon realization. Expenses from development programs are considered as intangible assets if it is possible to provide future profit to the company. The rest of development expenses are posted to the relevant expense accounts. Development expenses that in previous years were posted as expenses are not posted as intangible assets in posterior fiscal year. Development expenses that are capitalized are depreciated from the start of the product business production with a fixed method.

GOOD WILL

The good will that derives from the consolidation of companies is measured, primarily, at cost values. After the basic recognition the good will is calculated at the cost minus any accumulated decrease losses. The acquired the companies examines the good will for decrease of value in a yearly basis of more often in cases that facts of other changes impose as such.

IMPAIRMENT OF ASSETS

Assets with an indefinite useful life are not depreciated and are subject to an impairment review annually and when some events suggest that the book value may not be recoverable any resulting difference is charged to the period's results. Assets that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable value is the greater of the net sales value and the value in use. An impairment loss is recognized by the company when the book value of these assets (or cash flow generating unit) is greater than its recoverable amount.

Net sales value is the amount received from the sale of an asset at an arm's length transaction in which participating parties have full knowledge and participate voluntarily, after deducting any additional direct cost for the sale of the asset, while value in use is the present value of estimated future cash flows that are expected to flow into company from the use of the asset and from its disposal at the end of its estimated useful life.

FINANCIAL INSTRUMENT

Financial instrument is any contract that creates a financial asset in an enterprise and a financial liability or equity instrument in another.

I) FINANCIAL INSTRUMENTS VALUED AT FAIR VALUE THROUGH THE INCOME STATEMENT

These comprise of assets that satisfy any of the following conditions:

- Financial assets that are held for trading purposes (including derivatives, except those that are designated and effective hedging instruments, those that are acquired or incurred for the purpose of sale or repurchase and, finally, those that are part of a portfolio of designated financial instruments).
- Upon initial recognition it is designated by company as an instrument valued at fair value, with any changes recognized through the Income Statement.

The Group had not any financial assets of this category.

II) LOANS AND RECEIVABLES

They include non-derivative financial assets with fixed or predefined payments which are not traded in active markets. The following are not included in this category (loans and receivables):

a) Receivables from down payments for the purchase of goods or services
b) Receivables relating to tax transactions, which have been legislatively imposed by the state
c) Any receivable not covered by a contract which gives Company Information the right to receive cash or other financial fixed assets.

Loans and receivables are included in current assets, except those with a maturity date that is further than 12 months from the balance sheet date. The latter are included in the non-current assets.

III) INVESTMENTS HELD TO MATURITY

It includes non derivative financial assets with fixed or defined payments and specific maturity and which the Group intends to hold until their maturity.

The Group did not hold investments of this category.

IV) FINANCIAL ASSETS AVAILABLE FOR SALE

Includes non derivative financial assets that are either designated as such or cannot be included in any of the previous categories.

Following, the financial assets available for sale are valued at fair value and the relevant profit or loss is booked in equity reserves until such assets are sold or characterized as impaired.

During the sale, or when they are characterized as impaired, the profit or loss is transferred to the results. Impairment losses that have been booked to the results are not reversed through the results.

The purchases and sales of investments are recognized during the transaction date, which is also the date the Group commits to purchase or sell the item. Investments are initially recognized at fair value plus the directly related to the transaction costs. The costs directly related to the transaction is not added for items that are valued at fair value with changes in the results. Investments are written-off when the right on cash flows from investments mature or is transferred and the Group has essentially transferred all the risks and rewards implied by the ownership.

The loans and receivables are recognized in the net book value based on the real interest rate method. The realized and unrealized profit or losses that arise from changes in the fair value of financial assets valued at fair value with changes in the results, are recognized in the results of the period they result in.

The fair values of financial assets that are traded in active markets, are defined by the current ask prices. For non-traded assets, fair values are defined with the use of valuation techniques such as analysis of recent transactions, comparative items that are traded and discounted cash flows. The securities that are not traded in an active market that have been classified in the category Financial assets available for sale, and whose fair value cannot be determined with credibility, are valued at their acquisition cost.

At each balance sheet date the Group assess whether there are objective indications that lead to the conclusion that financial assets have been impaired. For company shares that have been classified as financial assets available for sale, such an indication consists of a significant or extended decline in the fair value compared to the acquisition cost. If impairment is established, the accumulated loss in equity, which is the difference between acquisition cost and fair value

ASSETS DECREASE PRESENTED IN THE DEPRECIATED COST

If there is objective proof that there is decrease loss for the loans and claims or investments that until the maturity date are presented in the depreciated cost, the amount of loss is calculated as the difference of the accounting value of the asset and the present value of the estimated cash-flows (future credit losses not realized are excluded) pre-paid at real original interest of the asset. The asset accounting value will be decreased or directly or through a provision account. The amount of loss will be in the results.

The Group will estimate if such case exists.

INVENTORIES

Inventories are stated at the lower of cost and net realizable value. The cost of the inventory is calculated, always, with the FIFO method and comprises the acquirement cost of the inventory and the transportation expenses. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in selling (marketing, selling and distribution costs). The company posts to yearly results all expenses realized during the year for the purchase of operating supplies.

TRADE RECEIVABLE

Trade receivables are measured on initial recognition at fair value, and are subsequently decreased with the amounts that it is highly possible not to be received. At the preparation of the Financial Statements, provisions are calculated for the amount that is possible not to be collected. Provision is adjusted, influencing the results of each year.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, cheques and sight and time deposits.

SHARE CAPITAL

Expenses incurred for the issuance of shares, reduce after deducting the relevant income tax the proceeds from the issue. Expenses related to the issuance of shares for the purchase of companies are included in the acquisition cost of the company acquired.

INCOME TAX & DEFERRED TAX

The period charge for income tax comprises current tax and deferred tax, i.e. the tax charges or tax credits that are associated with economic benefits accruing in the period but have been assessed by the tax authorities in different periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been booked directly to equity, in which case it is, accordingly, booked directly to equity.

Current income taxes include the short-term liabilities or receivables from the fiscal authorities that relate to taxes payable on the taxable income of the period and any additional income taxes from previous periods (tax audit differences).

Current taxes are measured according to the tax rates and tax laws in effect during the financial years to which they relate, based on the taxable profit for the year. All changes to the short-term tax assets or liabilities are recognized as part of the tax expense in the income statement.

Deferred income tax is determined according to the liability method which results from the temporary differences between the book value and the tax base of assets or liabilities. Deferred tax is not booked if it results from the initial recognition of an asset or liability in a transaction, except for a business combination, which when it occurred did not affect neither the accounting nor the tax profit or loss.

Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled, taking into consideration the tax rates (and tax laws) that have been put into effect or are essentially in effect up until the balance sheet date. In the event where it is impossible to identify the timing of the reversal of the temporary differences, the tax rate in effect on the day after the balance sheet date is used.

Deferred tax assets are recognized to the extent that there will be a future tax profit to be set against the temporary difference that creates the deferred tax asset.

Deferred income tax is recognized for the temporary differences that result from investments in subsidiaries and associates, except for the case where the reversal of the temporary differences is controlled by the Group and it is possible that the temporary differences will not be reversed in the foreseeable future.

Deferred income tax liabilities are defined after taking into account the contingent income liabilities for expenses that may arise due to tax auditing. Most changes in the deferred tax assets or liabilities are recognized as part of the tax expense in the income statement. Only changes in assets or liabilities that affect the temporary differences are recognized directly in the equity of the Group, such as the revaluation of property value that results in the relevant change in deferred tax assets or liabilities being charged against the relevant equity account.

EMPLOYEE BENEFITS

SHORT-TERM BENEFITS

Short-term benefits: Short-term employee benefits (except post-employment benefits) monetary and in kind are recognized as an expense when they accrue. Any unpaid amount is booked as a liability, while in the case where the amount paid exceeds the amount of services rendered, the company recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future payments or to reimbursement.

POST-EMPLOYMENT BENEFITS

Post-employment benefits: Post-employment benefits include defined contribution schemes as well as defined benefits schemes.

- **Defined contribution scheme**

According to the defined contributions scheme, the (legal or implied) obligation of the company is limited to the amount that it has been agreed that it will contribute to the entity (i.e. pension fund) that manages the contributions and provides the benefits. Thus the amount of benefits the employee will receive depends on the amount the Group will pay (or even the employee) and from the paid investments of such contributions.

The payable contribution from the company to a defined contribution scheme, is recognized as an expense.

- **Defined benefits scheme**

The defined benefits scheme of the Group concerns its legal obligation for lump sum compensation to the employees upon retirement. The liability that is reported in the balance sheet with respect to this scheme is the present value of the liability for the defined benefit depending on the accrued right of the employee and the period to be rendered. The commitment of the defined benefit is calculated annually by an independent actuary with the use of the projected unit credit method. The yield of long-term Greek Government Bonds is used as a discount rate.

PROVISIONS

Provisions are recognized when the Group has present obligations (legal or constructive) as a result of past events, their settlement through an outflow of resources is probable and the exact amount of the obligation can be reliably estimated.

Provisions are reviewed during the date when each balance sheet is compiled so that they may reflect the present value of the outflow that is expected to be required for the settlement of the obligation.

Contingent liabilities are not recognized in the Financial Statements but are disclosed, except if the probability that there will be an outflow of resources that embody economic benefits is very small.

Contingent claims are not recognized in the Financial Statements but are disclosed provided that the inflow of economic benefits is probable.

FINANCIAL OBLIGATIONS

The Group financial obligations concern the loan accounts, trade and other kind of obligations. The financial obligations are recognized when the Group participates in an agreement and are erased when this obligation expires or ends.

Interests are conceder as an expense at "Financial Expenses" at profit and loss statement.

Trade obligations are recognized in the name value and then are evaluated at the depreciated cost minus settlement change.

Dividends are in the "Other short-term financial obligation" when they are approved by the member of the Board.

Profit and losses are in the Profit and Loss statement when the obligations are erased and through the depreciations.

RECOGNITION OF INCOME AND EXPENSES

INCOME

Income includes the fair value of services sold, net of Value Added Tax, discounts and returns. Intercompany revenue within the Group is eliminated completely. The recognition of revenue is done as follows:

SALES OF GOODS

Sales of goods are recognized when the Group transfers goods to customers, the goods are accepted by them and the collection of the resulting claim is reasonably assured.

RENDERING OF SERVICES

Income from rendering of services is accounted for in the period during which the services are rendered, based on the stage of completion of the service rendered in relation to the total services to be rendered.

DIVIDEND

Dividends are accounted for as revenue when the right to receive payment is established.

EXPENSES

Expenses are recognized in the results on an accrued basis. The payments made for operating leases are transferred to the results as an expense, during the time the lease is used. Interest expenses are recognized on an accrued basis.

FINANCIAL COST

Financial cost derives from the accrued interest of the loans calculated with the method of real interest and are recognized to the yearly results with the exemption of the interests of the loans of the constructive period that are posted to the accounts of the relevant fixed assets.

LEASES

During the beginning of an agreement and taking into consideration all issues it is estimated if the agreement has or not a lease. A revaluation is happening in the following cases:
a) There is a change in the lease terms ,except if the change simply renews or prolong the agreement
b) There is a renew right or a prolong of the agreement except if this had been foreseen from the start
c) There is a change on how the fulfillment is depended on an set asset
d) There is considerable change on the asset

If the agreement is renegotiated the accounting manipulation is set from the date of the renegotiation (a) (c) (d) or the date of renew for the case (b).

GROUP COMPANY AS A LESSEE

Leases of fixed assets with which all the risks and benefits related with ownership of an asset are transferred to the Group, regardless of whether the title of ownership of the asset is eventually transferred or not, are finance leases.

These leases are capitalized at the inception of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments. Each lease payment is apportioned between the reduction of the liability and the finance charge so that a fixed interest rate on the remaining financial liability is achieved.

The relevant liabilities from leases, net of finance charges, are reported as liabilities. The part of the finance charge that relates to finance leases is recognized in the income statement during the term of the lease. Fixed assets acquired through finance leases are depreciated over the shorter of their useful lives and the lease term.

Lease agreements where the lessor transfers the right of use of an asset for an agreed period of time, without transferring, however, the risks and rewards of ownership of the fixed asset are classified as operating leases. Payments made with respect to operating leases (net of any incentives offered by the lessor) are recognized in the income statement proportionately throughout the term of the lease.

GROUP COMPANY AS LESSOR

Fixed assets that are leased through operating leases are included in the balance sheet's tangible assets. They are depreciated during their expected useful life on a basis consistent with similar self-owned tangible assets. The income from the lease (net of possible incentives given to the lessees) is recognized using the constant method during the period of the lease. the Group does not act as a lessor through financial leasing.

EARNINGS/(LOSSES) PER SHARE

The earning per share is calculated by dividing the net profit/losses, after taxes, with the average share per year.

LONG-TERM CLAIMS/OBLIGATIONS

Long-term claims/obligations are presented in the net present value. Any differences in prepayment are presented as financial revenues/expenses in the results of each year resulted.

BORROWING COSTS

Borrowing costs directly attributable to long-term loans reform the amount of these loans and are posted to the results based on the method of real interest at the loan contract.

BANK LOANS

Interest-bearing bank loans and overdrafts are recorded in the period received and are initially measured at fair value. They are subsequently measured at amortized cost, using the effective interest rate method.

SET-OFF OF CLAIMS OBLIGATIONS

The set-off of assets with obligations and the presentation of the net amount to the Financial Statements it is realized only if there is legal right for set-off and it exists will for settlement of the net value deriving from the settlement.

6.6.3 RISK MANAGEMENT

EXCHANGE RISKS

The company acts in the local market and almost all the invoicing is done in euro.

The imports from third counties are limited in comparison with the total imports and the buy and selling of foreign currency is done only for the customers needs and not for big amounts.

CREDIT RISKS

The company has a specific credit policy. The credit policy is follow up constantly so as the credit given not to exceed the credit and time limit for each client. The Company has big number of clients so the credit risk is spread.

RISKS FROM VARIATION IN INTEREST

The interest claim and obligations are in the Euribor interest. The Company does not use financial derivatives.

LIQUIDATION RISKS

Liquidation risk is in low level, preserving enough cash.

6.6.4 GROUP STRUCTURE AND CONSOLIDATION METHOD

The companies participating in the Group are:

Company Name	Headquarters	Activity	% Direct Investment	% Indirect Investment
LAMPSA SA-MOTHER COM	GREECE	HOTEL	MOTHER COMPANY	
LUELLA ENTERPRISES LTD	CYPRUS	AFFILIATED CO	100%	
GRANDE BRETAGNE LTD	GREECE	GIFT SHOP	99.83%	
NORTH HAVEN LTD		HONG KONG		100%
BEOGRADSKO MESOVITO PREDUZECE	SERBIA	HOTEL		51%

6.6.5 TANGIBLE FIXED ASSETS

Group Information

(In thousand €)	Land	Buildings	Machinery	Vehicles	Furniture & Other Equipment	Fixed Assets Under Construction	Total
Gross book value (or estimated cost of acquisition) on 01.01.2005	27,414	65,188	4,230	88	7,504	0	104,424
Minus: accumulated depreciation and value impairment	0	(9,537)	(1,060)	(47)	(5,111)	0	(15,754)
Book Value on 01.01.2005	27,414	55,651	3,170	41	2,394	0	88,670
Additions		457	77	3	230	56	824
Transfers		0	0	0	0	0	0
Sales – reductions		0	0	0	0	0	0
Depreciation of year 2005		(1,758)	(636)	(10)	(420)	0	(2,824)
Depreciation of sold - reduced assets	0	0	0	0	0	0	
Gross book value (or estimated cost of acquisition) on 31.12.2005	27,414	65,645	4,307	91	7,734	56	105,248
Minus: accumulated depreciations	0	(11,295)	(1,695)	(56)	(5,531)	(18,578)	
Book Value on 31.12.2005	27,414	54,351	2,612	35	2,203	56	86,670
Estimated cost of acquisition of assets acquired (or fair value) on 05.06.2006	8,818	48,136	3,609	0	8,834		69,397
Minus: accumulated depreciation		(12,557)	(2,461)		(6,031)		(21,049)
Book Value on 05.06.2006	8,818	35,579	1,149	0	2,803	0	48,348
Additions		2,365	92		776	1,405	4,638
Plus/(minus) adjustments			0	0	(18)	(1,446)	(1,464)
Sales – reductions		(454)	(16)	0	(40)	0	(510)
Depreciation on year 2006		(2,220)	(714)	(10)	(583)	0	(3,526)

	Land	Buildings	Machinery	Vehicles	Furniture & Other Equipment	Fixed Assets Under Construction	Total
Depreciation of Sold - Reduced Assets		0	0	0	(4)		(4)
Gross book value (or estimated cost of acquisition) on 31.12.2006	36,232	115,692	7,992	91	17,144	15	177,167
Minus: accumulated depreciation	0	(26,072)	(4,869)	(66)	(12,145)	0	(43,148)
Plus/(minus) adjustments		0					0
Book Value on 31.12.2006	36,232	89,621	3,123	25	4,999	15	134,019

Company Information

(In thousand €)	Land	Buildings	Machinery	Vehicles	Furniture & Other Equipment	Fixed Assets Under Construction	Total
Gross book value (or estimated cost of acquisition) on 01.01.2005	27,414	65,188	4,230	88	7,504	0	104,424
Minus: accumulated depreciation and value impairment	0	(9,537)	(1,060)	(47)	(5,111)	0	(15,754)
Book Value on 01.01.2005	27,414	55,651	3,170	41	2,394	0	88,670
Additions		457	77	3	230	56	824
Transfers		0	0	0	0	0	0
Sales – reductions		0	0	0	0	0	0
Depreciation of year 2005		(1,758)	(636)	(10)	(420)	0	(2,824)
Depreciation of sold - reduced assets		0	0	0	0	0	0
Gross book value (or estimated cost of acquisition) on 31.12.2005	27,414	65,645	4,307	91	7,734	56	105,248
Minus: accumulated depreciation	0	(11,295)	(1,695)	(56)	(5,531)		(18,578)
Book Value on 31.12.2005	27,414	54,351	2,612	35	2,203	56	86,670
Additions		1,567	59		690	1,405	3,721
Plus/(minus) adjustments			0	0	(18)	(1,446)	(1,464)
Sales – reductions		0	0	0		0	0
Depreciation of year 2006		(1,776)	(647)	(10)	(412)	0	(2,845)
Depreciation of sold - reduced assets0		0	0	(4)	0	0	
Gross book value (or estimated cost of acquisition) on 31.12.2006	27,414	67,212	4,366	91	8,406	15	107,505
Minus: accumulated depreciation	0	(13,071)	(2,342)	(66)	(5,939)	0	(21,420)
Plus/(minus) adjustments		0					0
Book Value on 31.12.2006	27,414	54,142	2,024	25	2,468	16	86,087

On 31.12.2006 the existing encumbrances of the fixed assets of the mother company amounted to € 39.000 when for the Group encumbrances almost to € 68.823 thousands. The interests and the loan expenses of the construction period of the building were posted in the account "Buildings" and are depreciated based on the beneficial life of the building. The rest of the capitalized expenses appeared below:

	31.12.2006	31.12.2005
Loan interests	1,579	3,092
Other financial expenses	450	491

6.6.6 EXISTING ENCUMBRANCES

For the recent loan Group and Company obligations on 31.12.2006 the existing building mortgages amounted to € 68.8 and € 39 millions accordingly.

6.6.7 INTANGIBLE FIXED ASSETS

Group Information

(In thousand €)	Licenses & Rights	Software	Other	Total
Cost of acquisition on 01.01.2005		285	-	285
Minus: accumulated depreciation and value impairment	(250)	-	(250)	
Book value on 01.01.2005	0	35	-	35
Additions		11	-	11
Depreciation of year 2005		(14)	-	(14)
Cost of acquisition on 31.12.2005	295	-	295	
Minus: accumulated depreciation		(264)	-	(264)
Book Value on 31.12. 2005	0	31	-	31
Cost of acquisition of the acquired companies	2	489	209	700
Accumilative depreciation	(2)	(118)	(55)	(174)
Account value of the intagible assets of the acquired companies	0	371	154.00	526
Additions		18		18
Depreciation of the year	0	(38)	(12)	(50)
Cost of acquisition on 31.12.2006	2	685	154	839
Minus: accumulated depreciation	(2)	(302)	(12)	(314)
Book Value on 31.12.2006	0	383	142	525

Company Information

(In € thousand)	Software	Other	Total
Cost of acquisition on 01.01.2005	285	-	285
Minus: accumulated depreciation and value impairment	(250)	-	(250)
Book Value on 01.01.2005	35	-	35

Additions	11	-	11
Depreciation of year 2005	(14)	-	(14)
Cost of acquisition on 31.12.20005	295	-	295
Minus: accumulated depreciation	(264)	-	(264)
Book Value on 31.12. 2005	31	-	31
Additions	8	-	8
Depreciation of year 2006	(14)	-	(14)
Cost of acquisition on 31.12.20006	303	-	303
Minus: accumulated depreciation	(278)	-	(278)
Book Value on 31.12. 2006	25	-	25

6.6.8 GOODWILL

During this year the Group acquired for € 11,080,535.48 the 100% of the capital share of the Company based in Cyprus LUELLA ENTERPIRSES LTD and through it the 100 % of the indirect participation to the affiliated based in Hong Kong NORTH HAVEN LTD to which belongs the 51.0044% of the company BEOGRADSKO MESOVITO PREDUZECE based in Serbia that manages Hotel Hyatt at Belgrade. The comparative figures are the ones of the mother company.

This acquisition has as effect the positive change of the turnover of € 10,2 million and to the net before taxes profit almost € 3,2 million.

From the acquisition the goodwill amounted to € 3.482,91 thousand with the below analysis:

Equity on 05.06.2006 in €	14,896.02
Acquisition in €	11,080.54
Percentage of acquisition	51.00%
Quota in equity belonging to Group on 05.06.2006	7,597.62
Goodwill on 05.06.2007 in €	3,482.91

According IFRS the buying company is possible, in twelve months from the buying period, to escalate the goodwill.

6.6.9 INVESTMENT IN AFFILIATED COMPANIES

Investments in subsidiaries were valued at acquisition cost, in the Company's Financial Statements.

	31.12.2006	31.12.2005
Opening Carrying Amount	17,970	17,970
Profit/(loss) percentage	0	0
Additions	11,101,750	0
Sales	0	0
Closing Carrying Amount	11,119,720	17,970
Installment due	-19,465	0
Provisions	0	0
Closing Carrying Amount	11,100,255	17,970

			2006		2005	
Name	Headquarters	Total of Shares	% Direct Investment	% Indirect Investment	% Direct Investment	% Indirect Investment
LUELLA ENTERPRISES LTD	CYPRUS	112,000	100%	-	-	-
GRANDE BRETAGNE LTD	GREECE	18,000	99.83%	-	99.83%	-
NORTH HAVEN LTD	HONG KONG		-	100%	-	-
BEOGRADSKO MESOVITO PREDUZECE	SERBIA	8,167	-	51%	-	-

6.6.10 OTHER LONG-TERM OBLIGATIONS

To the account long term obligations are guarantees given from the Company and the Group and long-term claims.

	GROUP		COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Long-term bills receivable				
Minus: interest related to other period		-	-	-
Other long-term obligations	58	55	53	55
Total Long-Term Obligations	58	55	53	55

6.6.11 DEFERRED TAX

The deferred tax receivables and liabilities are offset if the Group has the applicable legal right to offset current tax liabilities against current tax receivables and if deferred taxes concern the same fiscal principle.

The amounts offset are the following:

	GROUP				COMPANY			
	31.12.2006		31.12.2005		31.12.2006		31.12.2005	
(In thousand €)	Assets	Liability	Assets	Liability	Assets	Liability	Assets	Liability
Non Current Assets								
Intangible assets		(1,690)		(582)		(732)		(582)
Tangible assets	101		223		101		223	
Participations and long-term claims			0	0			0	0
Current Assets								
Reserves	260		429		260		429	

Other claims								
Long-term Liabilities								
Reserves		(297)		(328)		(297)		(328)
Long-term Liabilities								
Provisions for employees' compensation	188		162		188		162	
Short-term Liabilities								
Other provisions								
Claim from set-off of tax losses of previous years	1,631		410		803		410	
Deferred tax obligation from profit		(507)		(431)		(507)		(431)
Deferred tax obligation from profit of previous years		(431)				(431)		
Total	2,181	(2,925)	1,225	(1,341)	1,353	(1,967)	1,225	(1,341)
Set-off	-815	815						
Effect From the Change of Tax Factor								
Tangible assets		101		55		101		55
Intangible assets	(14)		(21)		(14)		(21)	
Stocks	(36)		(40)		(36)		(40)	
Reserves		41		31		41		31
Total	1,317	(1,968)	1,164	(1,255)	1,304	(1,825)	1,164	(1,255)

6.6.12 INVENTORY

The analysis of the inventory of the Group and the Company is as follows:

	GROUP		COMPANY	
	12.31.2006	12.31.2005	12.31.2006	12.31.2005
Raw direct and indirect material	540	194	182	194
Spare parts and containers			251	
Merchandise	479	235		235
Total	1,018	429	433	429

6.6.13 CLIENTS AND OTHER CLAIMS

The analysis of the clients and other receivables of the Group and the Company is as follows:

	GROUP		COMPANY	
(In thousand €)	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Clients	3,047	2,145	2,505	2,145
Minus: provisions of doubtful debt	-69	-	-	-
Cheques receivable	190	238	190	238
Net claims	3,168	2,383	2,695	2,383

The fair value of the claims are below

	GROUP		COMPANY	
(In thousand €)	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Clients	2,978	2,145	2,505	2,145
Bills receivable	-	-	-	-
Cheques receivable	190	238	190	238
Totals	3,168	2,383	2,695	2,383

6.6.14 OTHER CLAIMS

The other claims of the Group and the Company are analyzed below:

	GROUP		COMPANY	
(In thousand €)	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Other debtors	870	523	620	523
Advances	81	57	81	57
Total	950	580	701	580

The fair value of claims is:

	GROUP		COMPANY	
(In thousand €)	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Other debtors	870	523	620	523
Advances	81	57	81	57
Total	950	580	701	580

The rest current assets are analyzed below:

(In thousand €)	GROUP 31.12.2006	GROUP 31.12.2005	COMPANY 31.12.2006	COMPANY 31.12.2005
Prepaid expenses	264	210	193	210
Non current receivables from currently-earned income	19	-	19	-
Other transit debit balances	-	-	-	-
Net Debtors Claims	284	210	212	210

6.6.15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows:

(In thousand €)	GROUP 31.12.2006	GROUP 31.12.2005	COMPANY 31.12.2006	COMPANY 31.12.2005
Cash on hand	137	80	131	80
Short-term bank deposits	9,889	11,764	7,107	11,764
Total	10,026	11,844	7,238	11,844

The cash equivalents and the bank overdraft for cash flow reasons are as follows:

(In thousand €)	GROUP 31.12.2006	GROUP 31.12.2005	COMPANY 31.12.2006	COMPANY 31.12.2005
Cash on hand	137	80	131	80
Short-term bank deposits	9,889	11,764	7,107	11,764
Total	10,026	11,844	7,238	11,844

6.6.16 SHARE CAPITAL

The Company's capital on December 31, 2006 amounts to € 23.927.680, divided to 21.364.000 common shares, € 1, 12 each. The shares are in Greek Stock Market. The Company during the year 2006 increased the capital € 427.280 with the decision of the Board of the Directors on 06.06.2006. The share from € 1,10 transformed to € 1,12.

According the shareholders record on 28.03.2007 day of approval of the Financial Statements the shareholders with percentage above the 5% of participation was the VENTURE ABILITY SA with 49,81% (at the last General Meeting this amount was 49,70%), TALANTON INVESTMENTS INC with 6, 21 % and the company UBS AG with 5,73% (at the last General Meeting this amount was 5,47%).

The Company's shares are negotiated freely at the Greek Stock Market and participate to:

Eurobank Mix Cup 50 Index ✔
FTSE/XA Leisure trips ✔

6.6.17 LOANS

(In thousand €)	GROUP 31.12.2006	GROUP 31.12.2005	COMPANY 31.12.2006	COMPANY 31.12.2005
Long-term obligations				
Bank loan	-	30,000	-	30,000
Bonds	27,300	-	27,300	-
Total Long-term Loans	27,300	30,000	27,300	30,000
Bank overdraft				
Short-term loans				
Short-term bonds and bank loans	3,703		3,703	
Total Short-term Loans	3,703	-	3,703	-
Total of Loans	31,003	30,000	31,003	30,000

Furthermore, the Group has a short-term of other long-term obligations amounted to € 3.739 thousand that derives completely from the affiliated company of the Group BEOGRADSKO MESOVITO PREDUZECE € 1.491 thousand derive from the Company's long-term loan and the rest € 2.248 thousand from the short-term of other long-term obligations.

6.6.18 TRADE AND OTHER PAYABLES

The analysis of the balance for Group's and Company's trade and other liabilities is as follows:

(In thousand €)

(In thousand €)	GROUP 31.12.2006	GROUP 31.12.2005	COMPANY 31.12.2006	COMPANY 31.12.2005
Suppliers	1,717	984	1,352	984
Bills payable		-	-	-
Cheques payable	-	-	-	-
Less interest discount	-	-	-	-
Total	1,717	984	1,352	984

6.6.19 TAXES AND SOCIAL SECURITY

The analysis of the balance for the Group's and Company's taxes and social security is as follows:

	GROUP		COMPANY	
(In thousand €)	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Tax obligation	1,861	950	902	950
Social security	697	602	690	602
Total	2,558	1,552	1,592	1,552

6.6.20 OTHER SHORT-TERM OBLIGATIONS

The analysis of the balance for the Group's and Company's short-term obligations is as follows:

	GROUP		COMPANY	
(In thousand €)	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Dividends payable	44	10	44	10
Accrued income	233	14		14
Accrued expenses	840	425	499	425
Other liabilities	59		59	
Other traders	1,171	1,067	1,067	1,067
Total	2,347	1,516	1,669	1,516

6.6.21 OTHER LONG-TERM OBLIGATIONS

The balance of the other long-term obligations on December 31, 2006 concerns completely the long-term loan amounted to € 25.097 thousand of the affiliated BEOGRADSKO MESOVITO PREDUZECE started at 1989 and refinanced in October 2004. The loan was in $ and is paid out in monthly installments. The loan interest is the three months EURIBOR plus 3 % margin. To secure the loan real security is given with reassurance of the Company's building in Belgrade.

6.6.22 PROVISIONS

Provisions are recognized when the Group and the Company have present obligations (legal or constructive) as a result of past events, their settlement through an outflow of resources is probable and the exact amount of the obligation can be reliably estimated. More specifically provisions are for the cases lawsuits of ex-employees. Provisions are reviewed during the date when each balance sheet is compiled so that they may reflect the present value of the outflow that is expected to be required for the settlement of the obligation. Contingent liabilities are not recognized in the Financial Statements but are disclosed, except if the probability that there will be an outflow of resources that embody economic benefits is very small. Contingent claims are not recognized in the Financial Statements but are disclosed provided that the inflow of economic benefits is probable.

	GROUP			COMPANY		
		31.12.2006	31.12.2005		31.12.2006	31.12.2005
Balance on 01.01.2006						
Balance carried from 01.01.2006	80	50	130	80	50	130
Additional provisions			-	-	-	-
Provisions used	(20)	(1)	(21)	(20)	(1)	(21)
Balance carried on 31.12.2006						
Balance on 31.12.2006	60	49	109	60	49	109

6.6.23 LIABILITIES FOR PENSION PLAN

	GROUP	COMPANY
Accumulated Provision on 31.12.2004	565	565
Benefits paid by the employer	-134	-134
Total expenses posted in the results	218	218
Accumulated Provision on 31.12.2005	648	648
Benefits paid by the employer	-70	-70
Total expenses posted in the results	181	176
Accumulated Provision on 31.12.2006	759	754

The provision estimation was made by the actuarial company HEWITT.

6.6.24 SALES TURNOVER

The sales turnover analysis for the Company and the Group is as follows:

(In thousand €)	2006	2005
Room revenues	19,615	17,621
Food and beverage sales	13,317	11,873
SPA and health club sales	829	775
Telephone revenues	210	257
Other revenues	671	474
Total	34,642	31,001

6.6.25 ANALYSIS OF EXPENSES BY NATURE

The analysis of expenses by nature for the Group is as follows:

(In thousand €)	01.01-31.12.2006		
	Cost of Sales	Administrative Expenses	Distribution Expenses
Cost of stock	6,965	20	9
Wages & other benefits of the employees	12,107	2,433	789
Other third-person expenses	968	1,764	781
Professional fees	2,130	41	47
Taxes & duties payable	178	32	13
Other expenses	3,199	818	1,000
Depreciation	3,584		
Provisions	79		
Stock self use	(464)		
Total	28,746	5,109	2,639

(In thousand €)	01.01-31.12.2005		
	Cost of Sales	Administrative Expenses	Distribution Expenses
Cost of stock	3,662	0	0
Wages & other benefits of the employees	9,362	1,946	631
Other third-person expenses	977	1,472	729
Professional fees	1,946	32	52
Taxes & duties payable	139	57	5
Other expenses	1,437	238	561
Depreciations	2,838	0	
Provisions	57	0	
Stock self use	(427)	0	
	19,992	3,745	1,979

The analysis of expenses by nature for the Company is as follows:

(In thousand €)	01.01-31.12.2006		
	Cost of Sales	Administrative Expenses	Distribution Expenses
Cost of stock	4,318	0	0
Wages & other benefits of the employees	9,828	2,095	694
Other third person expenses	952	1,753	781
Professional fees	2,139	38	48
Taxes & duties payable	176	32	13
Other expenses	1,767	262	537

Depreciations	2,865	0	
Provisions	79	0	
Stock self use	(464)	0	
	21,662	4,180	2,074

(In thousand €)		01.01-31.12.2005	
	Cost of Sales	Administrative Expenses	Distribution Expenses
Cost of stock	3,662	0	0
Wages & other benefits of the employees	9,362	1,946	631
Other third-person expenses	977	1,472	729
Professional fees	1,946	32	52
Taxes & duties payable	139	57	5
Other expenses	1,437	238	561
Depreciation	2,838	0	
Provisions	57	0	
Stock self use	(427)	0	
	19,992	3,745	1,979

6.6.26 FINANCIAL COST NET

	GROUP		COMPANY	
(In thousand €)	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Interest income from:				
Banks	144	169	144	169
Gains from participations	14	-	14	
Total	158	169	158	169

Interest expenses from:

Discount of liabilities coming from personnel pension benefits	26	27	26	27
Bank loans	3,533	1,213	1,240	1,213
Commission paid for letters of guarantees	1		1	
Other banking expenses	35	35	35	35
Financing leases	5			
Total	3,600	1,275	1,302	1,275

6.6.27 OTHER ORDINARY INCOME AND EXPENSES

(In thousand €)	GROUP 01.01 – 31.12.2006	GROUP 01.01 – 31.12.2005	COMPANY 01.01 – 31.12.2006	COMPANY 01.01 – 31.12.2005
Other Operating Income				
Grants and sundry sales income	32	42	32	42
Other revenue	560	148	560	148
Income from rents		328	0	328
Commission		47	0	47
Income from previous years' provisions	6	121	6	121
Other	3,459	78	37	78
Total	4,058	765	635	765

(In thousand €)	GROUP 01.01 – 31.12.2006	GROUP 01.01 – 31.12.2005	COMPANY 01.01 – 31.12.2006	COMPANY 01.01 – 31.12.2005
Other Operating Income				
Losses from foreign exchange differences	22	(68)	22	(68)
Uncertain receivables	20	(83)	20	(83)
Provisions	15	0	15	0
Taxes of previous years	0	(101)	0	(101)
Security compensations	0	0	0	0
Other compensations	0	0	0	0
Taxes not included in the operating cost	341	(169)	341	(169)
Previous years' other expenses	76	(125)	76	(125)
Total	474	(547)	474	(547)

6.6.28 PENDING JUDICIAL CASES OR COURT DECISIONS

There are no pending judicial cases or court decisions that may have a significant effect on the financial position of the Company and the Group.

6.6.29 UN-AUDITED FISCAL YEARS

The un-audited fiscal years of the Group appear below. An audit is happening for the mother company that it is not finished yet, so no estimation of any possible tax obligations can be made. The management of the Company estimates that no tax differences might appear taken into consideration that the Company has the right to clear tax recognisable losses of previous years. So no provision is made.

Company Name	Un-audited Fiscal Years
LAMPSA HELLENIC HOTELS S.A.	2003-2006
GRANDE BRETAGNE L.T.D.	2004-2006
LUELLA ENTERPRISES L.T.D.	2006
NORTH HAVEN L.T.D.	2000-2006
BEOGRADSKO MESOVITO PREDUZECE	2005-2006

6.6.30 CHANGE IN THE ACCOUNTING ESTIMATIONS

Not applicable.

6.6.31 NUMBER OF EMPLOYEES

The number of employees for the years 2006 and 2005 for the Group and the Company is as follows:

	GROUP		COMPANY	
(In thousand €)	01.01 – 31.12.2006	01.01 – 31.12.2005	01.01 – 31.12.2006	01.01 – 31.12.2005
Other operating income				
Full-time	703	456	489	456
Part-time	23	15	39	15
Total	726	471	528	471

6.6.32 RELATED PARTIES TRANSACTIONS

The related parties transactions according to the IRFS 24 are as below:

(In thousand €)	GROUP	COMPANY
a) Sales of goods and services	3	39
b) Purchases of goods and services	0	0
c) Claims	21	21
d) Obligations	0	0
e) Transactions and salaries of general manager and members of the board	1,280	860
f) Claims of general manager and member of the board	0	0
g) Obligations of general manager and members of the board	0	0

6.6.33 INCOME TAXES

(In thousand €)	GROUP		COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Deferred tax for the year	430	503	430	455
Income tax for the year	1,651	455	698	503
Tax expense for the year	2,081	958	1,128	958

6.6.34 SUBSEQUENT EVENTS

There are no subsequent events to the Financial Statements concerning the Group and the Company that should be reported according to the IAS principles.

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CHAPTER 7

AFFILIATED COMPANIES

7.1. SUBSIDIARIES

GRAND BRETAGNE L.T.D.

The Company was established on 14.03.2003 under the corporate name GRAND BRETAGNE L.T.D. and trades as GRAND BRETAGNE TRADING L.T.D.

Its' headquarters are in the Municipality of Athens and its offices are located on 1, Vas. Georgiou I Ave.

By means of decision of the meeting of partners, the Company may establish branches, agencies or offices in other cities, in Greece or abroad.

The scope of the company is, inter alia:

- To import, represent and trade various food items and consumables (tobacco and alcoholic beverages)
- To trade cigarettes, cigars, tobacco, newspapers and books on a retail basis
- To import and trade stationery, textiles and tourist items in general
- To operate and manage hairdressing salons, restaurants, refreshment booths, cafe - bars, etc.

The Company's share capital stands at € 18,000. The company LAMPSA HELLENIC HOTELS CO. S.A. holds 98.4% of the shares, while 0.16% are in the possession of Mr. Emmanuel Mavrikakis.

By decision of the meeting of partners taken in accordance with the provisions of Law 3190/55, as amended and in force, Mr. Konstantinos Vassileiadis, resident of Nikaia (Greek ID No. Γ 126839/70) has been appointed company administrator.

GRAND BRETAGNE L.T.D. has leased a retail unit within the Hotel from LAMPSA HELLENIC HOTELS CO S.A.

There are no other types of agreements or collaboration between LAMPSA HELLENIC HOTELS CO S.A. and GRAND BRETAGNE L.T.D.

LUELLA ENTERPRISES COMPANY L.T.D.

This is a limited liability company established in the Republic of Cyprus on May 6, 2006, in accordance with the provisions of Chapter 113 of the Companies Act, and has its seat at 16, P. Katelari St., Diagoras Building, Nicosia. The scope of the Company is to:

- Buy, acquire, accept, hold, trade in and selling any manner shares, capital, bonds, other securities or interests of any other company, organization, association or business;

- Carry out worldwide brokerage, funding and investment operations on any real estate or movable property;

- Buy, sell, exchange, lease or otherwise acquire or alienate, to that end, any real estate or movable property in any part of the world.

The company's nominal share capital stands at € 200,000 and is divided into 200,000 ordinary shares at a face value of € 1 each. A total of 111,000 shares of the company have been issued at a face value of € 1 each, numbered from 1001 to 111.000, both inclusive, and have been transferred to LAMPSA HOTEL S.A. at a transfer price of € 100 each (namely € 99 above par value), namely for a total of € 11,100,000.

NORTH HAVEN L.T.D.

A limited liability company incorporated under the laws of Hong Kong, with its seat at Level 28, Three Pacific Place, 1, Queen's Road East, Hong Kong, SAR. 100% of the company's share capital is held by LUELLA ENTERPRISES COMPANY L.T.D.

BEOGRADSKO MESOVITO PREDUZECE A.D.

Private joint stock company incorporated under the laws of Serbia on April 14, 1989, its main shareholders being NORTH HAVEN L.T.D. (holding 51%) and four Serbian companies (holding in total 49%). BEOGRADSKO MESOVITO PREDUZECE AD was registered in the Companies Register of the Republic of Serbia on June 13, 2005 with Reg. No. BD 22440, and has its seat at Milentija Popovica 5, Belgrade, Serbia.

The company's main activity is to operate the "Hyatt Regency" Hotel in Belgrade.

The Share Capital of the company on December 31.12.2006 stands as follows:

Shareholders	Number of Common Shares	Number of Preference Shares	Total Number of Shares	Value in Dinars	%
NORTH HAVEN LTD	3,783		3,783	931,725	51.00
			0	887,983	0.00
JP NIS YUGOPETROL	2,955	750	3,705	111,425	39.84
ENERGOPROJECT HOLDING	441		441	58,242	5.95
INVESTBANKA A.D.	230		230	2,021	3.10
PUTNIK A.D.	8		8		0.11%
TOTAL	7,417	750	8,167	1,991,396	100.00%

7.2 ASSOCIATED ENTERPRISES

There are no associated enterprises.

HOTEL GRANDE BRETAGNE

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CHAPTER 8

PROVISIONS

The breakdown of provisions for the growth in sales and Company results for the year 2007 are presented at current prices on the table below:

(In thousand €)	2007
Turnover (sales of services)	38,500.00
Less: Cost (sales of services)	18,700.00
Partial operating (profit) results	19,800.00
Plus: Other operating results	550.00
Total gross profit	20,350.00
Less:	
Administrative expenses	5,800.00
Selling and distribution expenses	1,900,00
Operating results	12,650,00
Less: Extraordinary results	2,150,00
Profit before taxes and depreciation	10,500,00
Debit/credit interest	1,300,00
Profit before depreciation	9,200,00
Less: Depreciation	3,000,00
Profit befor taxes	6,200,00

Turnover

The Company expects that turnover for 2007 will be around € 380,500 thousand. In making the forecast that sales are expected to rise by around 11%, consideration has been had to the Company's increased productivity and competitiveness following implementation of its business plan. In particular, full use of the Hotel has laid the foundation for an increase in turnover. Moreover, the Company benefited significantly from the 2004 Olympic Games and is expected to significantly bolster its presence in the hotel sector in terms of its turnover. Individual figures worth mentioning include the expected increase in occupancy rates, average rooms rates, and revenues as well generated by the catering departments.

Gross profit margin

The gross profit margin will significantly improve in light of the above points, primarily due to the squeeze on operating costs and will stand at a figure of over 33% of sales.

Profits before interest, taxes and depreciation

Profits before interest, taxes and depreciation for the 2007 accounting period are expected to rise and are estimated at € 10,500 thousand, representing an increase by 8% compared to 2006, as a result of more rational Hotel operations, squeezing down costs, changes in internal structures having carried out studies on productivity indicators and a general improvement in the effectiveness of internal operations.

Profits before tax

Bearing in mind the points made above, earnings before taxes for the 2007 accounting period are expected to stand at € 6,200 thousand, representing an increase by 8% compared to 2006, as well as exceeding the results of the last two profitable years, and will primarily derive from operating activities. Each month the Company Management estimates the turnover and Company performance for the next three months.

To estimate the Company turnover and results, particular emphasis is placed on data such as month historicity, seasonality, inflation, changes in exchange rates, the level of available income, moves by competitors, general political-economic conditions, etc. These factors can develop in such a way that deviations from the forecasts made above emerge. It should be stressed that the aforementioned growth in Company results for 2007 is indicative and the Company does not warrant achievement of these figures. Moreover, it is clear that these figures relate exclusively to the "Grand Bretagne" Hotel and do not take into account the contribution of the recently acquired "Hyatt Belgrade" Hotel.

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CHAPTER 9

LONG-TERM OBJECTIVES AND PROSPECTS

9.1 OBJECTIVES AND STRATEGY

The Company's main objectives are to retain the "Grand Bretagne" Hotel's leading position in the luxury hotel sector in Greece and to promote it as one of the leading luxury hotels worldwide, as well as the expansion of the Company's business in the international tourism sector, beginning with the acquisition of the majority of shares of the "Hyatt Regency" Hotel in Belgrade.

Taking advantage of its great experience in the tourism sector, its in-depth knowledge of the hotel market, as well as the strong brand name and prestige of this historic Hotel, the Company Management has devised a dynamic strategy to meet the increasing demands of the ever-changing tourism sector.

The main objectives of the Company's business strategy are:

- To further bolster the Hotel's reputation and keep it among the top luxury hotels in the country by providing quality services which fully match -and even exceed- hotel guest expectations.

- To promote the "Grand Bretagne" Hotel as a destination ideal for incentives on the European and American market.

- To strengthen the position of the "Hyatt Regency" Hotel in Belgrade in the emerging tourist market of the Balkans.

- To offer competitive services in the luxury hotel category for both its hotel units.

- To correctly select, constantly train and prudently utilize the Company's human resources.

- To create a model working environment which attracts quality employees while offering opportunities for both personal advancement and career development.

- To improve relations with an extensive network of strategic associates (companies, airlines, travel agencies, etc.).

- To expand and differentiate the hotels' service portfolio with quality and innovative accommodation packages.

- To constantly ensure added value for shareholders, employees and hotel guests.

At the same time, thanks to the Hotel's outstanding reputation and leading position in the sector, the corporate strategy also focuses on priorities which are in line with the national tourism strategy. Against this background, the Company seeks to improve occupancy rates at the hotel during low season (December to March); help promote Athens as an destination; collaborate with the GNTO and the Ministry of Tourism to promote Greece abroad; and support the tourism and hotel sectors in national and international advertising campaigns. Outside Greece, the Company aims to penetrate the emerging markets of the Balkans through the acquisition or creation of new city hotels. Finally, it explores the possibilities and perspectives of investing in Real Estate.

9.2 INVESTMENT POLICY

As part of its strategic development, the Company has invested € 85,000,000 in renovating and upgrading the "Grand Bretagne" Hotel. These investments primarily relate to improvements and upgrading of the quality of equipment and fittings, building and other facilities, and were paired with moderation and reorganisation of the services offered, seeking to further bolster the Hotel's positions in the sector and increase its market share.

The Hotel's unique architecture, its brand new fittings which are complemented by authentic antiques, the sense of luxury it exudes and the outstanding level of services offered are expected to attract countless guests and to drastically increase the Company results and profits for shareholders.

One of the Company's investment objectives is the expansion of its investment in the "Hyatt Regency" in Belgrade, following the intended increase in its participation.

Improvements in the macroeconomic indicators for the national economy and the expected increase in building and economic activity in general in the capital region also lay the foundations for a satisfactory increase in the Company's business in the near future.

9.3 DIVIDEND POLICY

The Board of Directors decided to recommend a dividend of € 0.08 per share to the General Meeting. In setting the dividend at this level, the Board of Directors took into account (a) the favorable tax regime applicable to the Company (due to previous tax losses) and (b) the expansion in investment activities to further 'grow' the Company.

Pursuant to Article 38 of the Company's Charter on profit distribution, distribution of the amount required to pay the first dividend follows distribution of the amount required to form the statutory reserve.

The amount required to pay the first dividend corresponds to 6% minimum of the share capital, which has been paid up and may not be less than 35% of the net profits having deducted the statutory reserve in line with Article 45 of Codified Law 2190/1920 read in conjunction with the provisions of Development Law 148/1967 and Law 876/1979, unless the General Meeting decides otherwise by the majority cited in articles 2 and 3 of Development Law 148/1968, as replaced by Article 1 of Law 876/1979.

According to current legislation (Article 109 of Law 2238/1994), companies are taxed at a rate of 29% on taxable income before any distribution of profits.

This means that dividends are distributed from income that has already been taxed and therefore there is no tax obligation to Shareholders on the dividends they receive.

The date of acquisition of a dividend is taken to be the date of approval of the Balance Sheet by the General Meeting of Shareholders of the Company.

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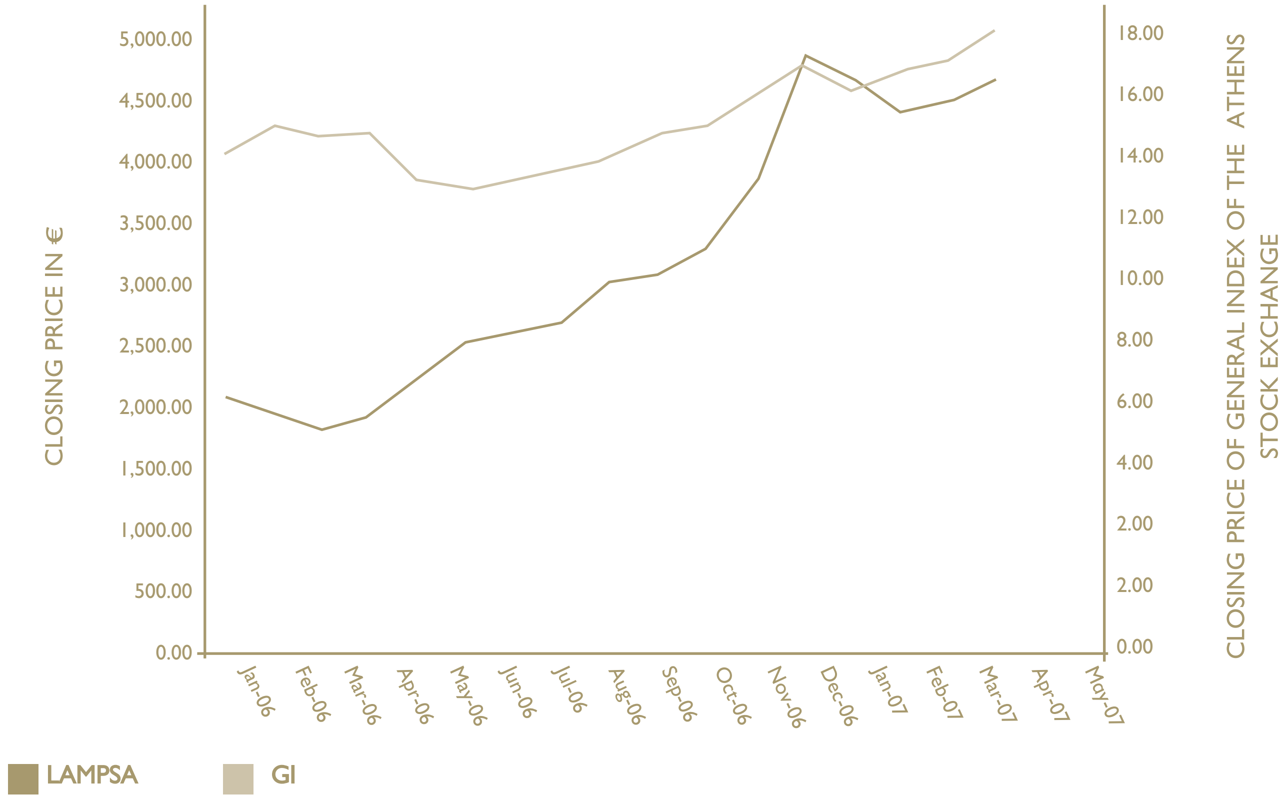
CHAPTER 10

FINANCIAL DATA OF SHARE

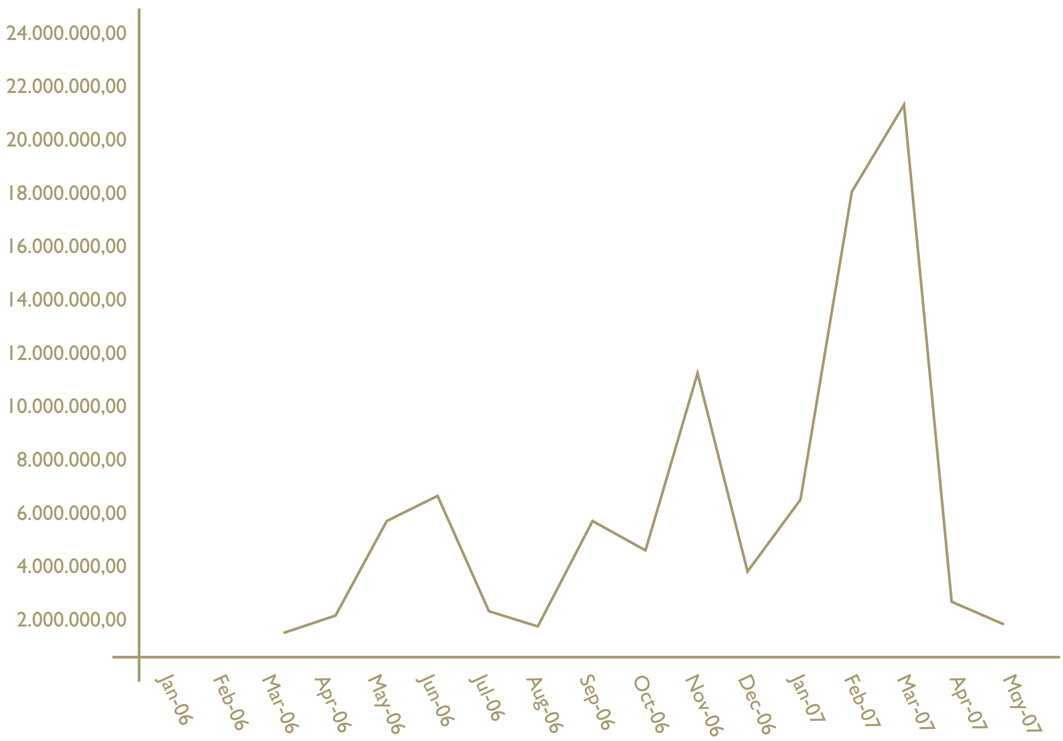
The evolution of the share price on the last day of each month, of total monthly volume and of market capitalization of the Company's shares during 2006 and the first five months of 2007 is as follows:

Date	Closing price of General Index	Closing Price of Share	Monthly Trading Volume	Value of Total Monthly Trading Volume
31.01.2006	7.32	3,977.84	483,434	3,616,299.34
28.02.2006	6.70	4,202.85	329,110	2,364,421.22
31.03.2006	6.34	4,122.34	209,971	1,348,811.74
28.04.2006	6.70	4,139.96	308,230	2,021,361.3
31.05.2006	7.64	3,753.21	748,911	5,618,583.78
30.06.2006	8.90	3,693.75	804,585	6,452,593.42
31.07.2006	9.16	3,747.98	239,612	2,167,034.58
31.08.2006	9.50	3,868.62	168,050	1,567,676.28
29.09.2006	10.64	3,963.88	544,238	5,581,802.74
31.10.2006	10.90	4,128.60	419,809	4,473,981.46
30.11.2006	11.70	4,220.50	9,801,652	11,198,270.68
29.12.2006	13.54	4,404.44	290,997	3,690,956.3
31.01.2007	17.14	4,710.24	412,908	6,476,204.78
28.02.2007	16.48	4,503.96	1,909,942	18,046,484.16
30.03.2007	15.50	4,643.14	1,321,205	21,290,317.3
30.04.2007	15.84	4,736.83	163,810	2,573,108.44
31.05.2007	16.50	4,972.19	110,743	1,768,166.92

COMPARISON BETWEEN THE SHARE PRICE OF LAMPSA S.A. AND THE GENERAL INDEX OF THE ATHENS EXCHANGE



SHARE PRICE DEVELOPMENT AND VOLUME DEVELOPMENT



HOTEL
GRANDE BRETAGNE
Athens

APPENDIX

INVITATION TO THE GENERAL MEETING OF SHAREHOLDERS OF LAMPSA HELLENIC HOTELS S.A.

AR.M.A.E 6015/06/B86/135

According to the Law and the Memorandum of Association, the Board of Directors of the company "LAMPSA HELLENIC HOTELS S.A." after the decision taken on May 23, 2007, invites Shareholders of the incorporated company "LAMPSA HELLENIC HOTELS S.A." to the General Meeting on Friday June 29, 2007 at 14:00 at the premises of the Company on Vas. Georgiou A'1 st., in order to conclude to the following issues of the agenda:

AGENDA

1) Submission and approval of the yearly Financial Statements and distribution of the profit of the fiscal year 01.01.2006-31.12.2006 with the notes of the Board of Directors and the Auditors.

2) Exemption of the members of the Board of Directors and the Auditors from every responsibility of compensation for the annual financial statements and the management of the above fiscal year.

3) Approval of the remuneration for members of the Board for the year 2006 and pre-approval of the remuneration for the year 2007.

4) Election of the Auditor and Deputy Auditor for the year 2007 and determination of audit fees.

5) Capital raise with capitalization of the building escalation.

6) Other announcements.

Due to the fact that the company shares are electronically presented in full, Shareholders willing to participate in the General Meeting must block the total or part of their stocks through the operator of the System of Bodiless Freeholds (S.A.T.) and receive affirmation for the shares block they must submit to the Company or the Deposit and Loan Funds or to any Bank in Greece and present proof of the deposit and any representation papers at least (5) five days prior to the day of the General Meeting at the offices of the company (Vas.Georgiou A'1-Athens, tel.: 210-33.30.840, fax: 210-33.30.838), in order to be able to participate in the General Meeting.

Athens, May 23, 2007

The Board of Directors

REPORT OF THE BOARD OF DIRECTORS OF THE LAMPSA GROUP TO THE GENERAL MEETING OF SHAREHOLDERS OF THE YEAR 2007

Shareholders,

We submit the Financial Statements of the Company and the Group "LAMPSA".

In the present period, the companies that appear at the "Group Structure" were incorporated for the first time, due to the acquisition on June 6, 2006, of the affiliated LUELLA ENTERPRISES L.T.D. and through it, the ownership of the company NORTH HAVEN L.T.D., owning company of 51% of the Share Capital of BEOGRADSKO MESOVITO PREDUZECEE A.D., owner of the "Hyatt Regency" Hotel in Belgrade.

THE COMPANY

The Financial Statements concern the 87th fiscal, namely the period January 1, 2006 – December 31, 2006.

Profit before taxes for the year amounts to € 5,743,406.30, while the profit in the previous year rose to € 4.397.657,84. Profit after taxes amounted to € 4,615,792.49 against € 3,439,875.89 in the previous year. The company improved financial results greatly. The "Grand Bretagne" Hotel restarted its operations after a complete renovation partly on March 17, 2003 and fully on September 15, 2003, thus, this year is the third year of a full Hotel operation and without the effect of the Olympic Games 2004. During these three years the Company has improved considerably, every year, the results.

This year's gains are due to:

a) A raise of the turnover basically from the room revenues (11% raise), the food and beverage departments (13% raise), the other revenues (13.5% raise) and the raise in the occupancy (1.4% raise) and the average room rate (10% raise) ,also due to a considerable penetration to the local and foreign tourist market.

b) The decrease of the operating cost that improved the gross results (21.13 % on the revenues) against the previous year (18.87 % on the revenues).

The company had gains despite the fact that the results were charged by:

a) The high amount of depreciations due to the building renovation and the purchases of new equipment.

b) The high amount of interests for the loan taken. During the first semester of 2006 the Company received bond loan from EFG BANK ERGASIAS with better terms than the previous long-term loan which was paid off. The interests are going to be less for the futures years. For the fiscal year the gains after taxes were € 4,615,792.49.

The Board of the Directors announced that the proposed dividend per share is € 0.08 for the reasons described below:

a) The Company transfers tax losses of € 3.7 millions due to the losses of the years 2002 and 2003, losses that if they are not set off in the next five years will be erased. So, the rest non-distributed amount will set off a part of the losses and it can be distributed in future years with lower tax factor.

b) As it is already announced the Company sees to the possibility for further development and it is possible to need cash.

The turnover of the Company for the year 2006 was € 34,641,885.93 against the amount of € 31,000,817.67 for the previous year, raised 11.74 %, as a result of a successful client strategy and the recognition of the high quality service level in the market.

Revenues are analyzed as follows:

(In €)	2006	2005	Difference %
Room revenues	19,614,648	17,621,269	11.31%
Food and beverage sales	13,317,006	11,873,251	12.16%
SPA and health club sales	829,130	774,785	7.01%
Telephone revenues	209,950	257,109	-18.34%
Other revenues	671,092	474,404	41.46%
TOTAL	34,641,826	31,000,818	11.74%

All the Hotel departments had a rise against the previous year for the reasons mentioned above. Especially the rooms department had an almost 10 % rise of the average room rate, as a result of the high demand and the high quality service standards. The food and beverage department presents rises due to the successful operation of the GB Corner, the Winter garden and the GB Roof garden which now operates during the winter season providing three lunches. The rooms occupancy was 68.34 % against 67.40 % of the previous year (1.4 % raise). Also, the average Hotel occupancy was € 244.96 against € 223.14 of the previous year (10 % raise) due to the reasons mentioned above.

The operating cost (cost of sales before depreciations plus administrative and selling expenses) increased € 2,178,314 compared to the year 2005 (9.52 %). This rise was due to the revenues rise that also raised the expenses but the ratio was discounted (72.33 % against 73.80 % of the 2005).

The Company's financial expenses raised marginally € 27,262 due to a rise in loan interests and most specifically due to the bond loan in EURIBOR.

The Company's bank loan for the 31.12.2006 was € 30,000,000.00 after the successful capital rise at the first semester of 2004 used for the payment of the loan obligations. Also, during March 2007 the Company paid the first instalment of the bond loan amounted in € 1,800,000.00. In September the second instalment (€ 900,000.00) will be paid and at the end of the year 2007 the amount to be paid will be € 27,300,000.00.

The comparative figures for the years 2004, 2005 and 2006 are below:

ROOMS NIGHTS	2004*	2005	2006
Room nights	64,350	80,208	81,247
Guest room nights	91,451	122,425	127,639

RESULTS

(In thousand €)	2004*	2005	2006
Revenues			
Turnover	30,497.60	31,000.82	34,641.89
Rents	273.67	328.41	376.43
Other income	823.56	436.79	258.68
TOTAL	31,594.83	31,766.02	35,277.00
Profit /losses before depreciations and taxes	7,079.63	7,236.49	8,602.48
Minus: Depreciations	2,780.16	2,838.83	2,859.07
Profit /losses before taxes	4,299.47	4,397.66	5,743.41

*Olympic Games 2004

The Company possesses only the building of the "Grand Bretagne" Hotel with historic value and chattel real that are in the balance sheet.

During the submission of the present report there are no considerable losses that going to influence the financial statement of the Company.

The Board of the Directors wishes to inform the shareholders that the "Grand Bretagne" Hotel started its operations in March 2003 starting a new era to its history and with lots of positive comments about the new premises.

The Hotel's unique architecture, the new equipment and antiques, the luxury sensation and the high quality service standards are expected to attract many guest and to raise in the long-tem the Company's results and the shareholders profit.

The Board of the Directors announces its optimism for the continuation of the successfully operation of the "Grand Bretagne" Hotel after the complete renovation and its incorporation to the chain Luxury Collection of Starwood Hotels and Resorts and for the strong financial position of the Company after the successful capital rise – € 45 million – in combination with the a) turnover increase and b) the accomplishment of high EBITDA (earnings before interest, taxes and depreciations). Finally, highly positive are the results of the first months of 2007 with a 23% increase of the REVPAR (Revenue per available room) and a 46% increase of the GOP (Gross Operating Profit).

THE GROUP

Taking for granted that this is the first time that the results of the Hotel Hyatt of Belgrade are consolidated the figures are not totally comparative. As it is known as of the 06.06.2006 the 51% of the Hotel belongs to the Company. The figures appear below:

- The turnover of the Company was € 45,320 thousand
- EBIDTA € 15,988 thousand
- Profit before taxes € 8,954 thousand

These figures compared to the ones of the mother Company for the year 2005 present a rise of 46.2 % for the turnover 103.6 % for the profit before taxes and 91.7 % for EBIDTA.

More analysis is provided to the Group consolidated financial statements.

CORPORATE GOVERNANCE

The Company has adopted Corporate Governance Principles in line with those established by Greek legislation and by international best practices. These principles, on which the organization and management of the Company are ultimately based, strive for transparency in investor relations and the indemnity of stakeholders' interest. The Board of Directors of LAMPSA S.A. is the trustee of its Group Corporate Governance Principles. It is comprised by 3 executive and 6 non-executive members. From the non-executive members, 4 satisfy the conditions set by law 3016/2002 for corporate governance, and are called "independent".

The Audit Committee is comprised by non-executive members of the Board and its mission is to conduct objective internal and external audits and facilitate an effective communication among the auditors and the Board. Its responsibilities are to ensure compliance with the rules of Corporate Governance, guarantee a proper operation of the Internal Audit System and supervise the works of the Company's Internal Audit Department.

Internal Audit is a basic and essential element of corporate governance. The Internal Audit Department of LAMPSA S.A. is an independent organizational unit that reports to the Company's Board of Directors. Its responsibilities include the evaluation and improvement of risk management and internal auditing methodology. The unit also verifies compliance with legislated policies and with procedures set by the Company's Internal Regulation of Operations, and the current legislation.

The board of the Directors assigned as Internal Auditor Ms Coralia Moraiti, graduate of Athens University of Economics and Business. The Head of Internal Audit has a full time employment relationship to our Company.

DIVIDEND POLICY

Regarding the distribution of dividends, the Board of Directors, considering among others the Group's performance, the prospects and the Capital Expenditure plans, the existing of tax losses amounted € 3.7 million and the decrease of tax factors proposes the distribution of dividends of € 0.08 per share as opposed to € 0.08 per share in 2005. This proposed dividend is subject to the approval of the General Meeting.

After the above, please approve the financial statements for the fiscal year 2006.

Athens, March 28, 2007

The President of the Board of Directors

Maurice Modiano

INFORMATION TO THE GENERAL MEETING OF THE SHARE-HOLDERS REGARDING THE ISSUES OF THE PARAGRAPH 1 OF ARTICLE 11 a L.3371/2005 OF THE LAMPSA GROUP

This explanatory report of the Board of Directors is submitted to the Ordinary General Shareholders' Meeting and contains detailed information regarding the issues of paragraph 1 of Article 11A L.3371/2005.

I. COMPANY'S SHARE CAPITAL STRUCTURE

The Share Capital of LAMPSA S.A. amounts to € 23,927,680, divided into 21,364,000 common registered shares with voting right and a par value of € 1.12 each. The shares are listed on the Securities Market of the Athens Exchange.

The rights of the Company's shareholders with respect to their shares are proportional to the Share Capital stake to which the paid-in share value corresponds. Each share incorporates all the rights and obligations that are stipulated by the Law and Company's Articles of Association, and more specifically:

- The right to dividends from the annual profits or liquidation profits of the Company. A percentage of 35% of the net profits following deduction only of the statutory reserves or 6% of the paid in capital (and in particular the larger of the two amounts) is distributed from the profits of each year to the shareholders as an initial dividend while the distribution of an additional dividend is resolved upon by the General Meeting. The General Meeting determines the added dividend. Dividends are entitled to each shareholder who is registered in the Shareholders' Register held by the Company on the date of approval of the financial statements by the Ordinary General Shareholders' Meeting. The dividend for each share is paid to its holder within ten (10) days from the date on which the Ordinary General Meeting approved the annual financial statements according to the announced schedule of intended actions. The payment date and the payment method of the dividend are available through the Athens Exchange's website, the Company's official website and is also released through the Press. The right to receive payment of the dividend is subject to a time limitation and the respective unclaimed amount goes to the State upon the lapse of five years from the end of the year during which the General Meeting approved the distribution of the said dividend.

- The right to reclaim the amount of one's contribution during the liquidation or, similarly, the writing off of the capital representing the share, provided that this is resolved upon by the General Meeting,

- The right of pre-emption at every Share Capital increase of the Company via cash payment or the issuance of new shares.

- Each shareholder is entitled to request the annual financial statements along with the relevant reports of the Board of Directors and the Auditors of the Company.

- Shareholders participate in the Company's General Meeting which constitutes the following rights: legitimacy, presence, participation in discussions, submission of proposals on the items of the agenda, entry of one's opinion on the minutes of the Meeting and finally the right to vote.

- The General Meeting of Company's Shareholders retains all its rights and obligations during the winding up (according to paragraph 4 of Article 38 of the Articles of Association).

The shareholders' responsibility is limited to the nominal value of the shares held.

II. RESTRICTIONS FOR TRANSFERRING COMPANY SHARES

The transfer of Company shares takes place based on procedures stipulated by the law and the Athens Exchange's regulation, while there are no restrictions set by the Articles of Association for transfer of shares.

III. IMPORTANT INDIRECT/DIRECT PARTICIPATIONS ACCORDING TO PRESIDENTIAL DECREE (PD) 51/1992

The Shareholders (natural or legal entity) that hold direct or indirect a more than 5% of Company's

Shares are presented in the following table.

NAME	PERCENTAGE
VENTURE ABILITY SA	46.16 %
TALANTON INVESTMENTS INC	6.66 %
UBS AG	6.16%
JPMORGAN CHASE BANK	5.62 %
BNP PARIBAS PRIVATE BANK) SWITZERLAND) SA	5.06 %

IV. SHARES WITH SPECIAL CONTROL RIGHTS

There are no Company shares that provide special control rights to their holders.

V. RESTRICTIONS ON VOTING RIGHTS

No restrictions on voting rights emanate from the Company shares according to the Articles of Association.

VI. AGREEMENTS BETWEEN COMPANY SHAREHOLDERS

The Company is not aware of any agreements among its shareholders, which would result in restrictions on the assignment of its shares or exercise of the voting rights stemming from such shares.

VII. REGULATIONS REGARDING THE ASSIGNMENT AND REPLACEMENT OF B.o.D. MEMBER AND AMENDMENTS OF THE ARTICLES OF ASSOCIATION.

For the assignment and replacement of B.o.D. members as well as for amendments of its Articles of Association, the Company follows the provisions of C.L. 2190/1920

VIII. RESPONSIBILITY OF THE B.O.D. FOR THE ISSUANCE OF NEW SHARES OR ACQUISITION OF OWN SHARES.

A) According to the provisions of Article 13 par. 1 item b) of C.L. 2190/1920 and the Article 5 of the Articles of Association, the Company's Board of Directors has the right, following a relevant decision by the General Shareholder's Meeting that is subject to the publicity announcements of Article 7b of C.L. 2190/1920, to increase the Company's Share Capital with the issuance of new shares, through a decision by the Board of Directors that is made with a majority of at lease two thirds (2/3) of its total members.

In this case, Company's Share Capital may be increased by no more than the Share Capital amount paid up on the date when the Board of Directors was granted such power by the General Meeting, This power of the Board of Directors may be renewed by the General Meeting for a period that may not exceed five year per instance of renewal.

B) According to the provisions of article 13 par. 9 item b) of C.L. 2190/1920, the General Meeting may establish a stock option plan for the members of the Board of Directors and Company's staff, in accordance with the specific terms of such decision. The decision of the General Meeting defines, in particular, the highest number of shares to be issued, which may not exceed, by law, this number cannot extravagate the 1/10 of the existed shares.

The B.o.D. regulates by resolution any other detail not otherwise regulated by the General Meeting, issues stock options certificates and shares for the entitled persons, who exercise their options, increasing the Share Capital accordingly and certifying such increase in December of every year.

C) As of today no decision has been taken by the General Meeting of Shareholders of the Company for acquiring own shares according to the provisions of the paragraphs 5-13 of Article 16 par. 9 item b) of C.L. 2190/1920.

IX. IMPORTANT AGREEMENT WHICH IS AMENDED /TERMINATED IN CASE A CHANGE ARISES IN THE COMPANY 'S CONTROL FOLLOWING A PUBLIC OFFER.

There are no agreements which enter into force, are amended or terminated in the event of change in the control of the Company following a public offer.

X. AGREEMENT BETWEEN THE COMPANY AND THE B.O.D. MEMBERS OR EMPLOYEES REGARDING THE TERMINATION OF THEIR TERMS/EMPLOYMENT.

There is no agreement between the Company and the B.o.D. members or staff providing for the payment of any compensation specifically in the event of resignation or dismissal without cause, or termination of their mandate or employment as a result of a Public Acquisition Offer. The provisions formed for retirement compensations as a result of the provisions of the L.3371/2005, amounts to € 753,524 on 31.12.2006. No provision concerns the members of the B.o.D.

For the G.M. of the Company

The President of the Board of Directors

Maurice Modiano

2. INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE LAMPSA S.A.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of LAMPSA HELLENIC HOTELS S.A. as well as the consolidated financial statements of the Company, which comprise (for both the Company and the Group), the balance sheet as on December 31, 2006, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the abovementioned Financial Statements present fairly, in all material respects, the financial position of the Company and that of the Group as of December 31, 2006, and the financial performance and the cash flows of the Company and those of the Group for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

The Board of Directors Report (as mentioned in pages x to z) is consistent with the abovementioned financial statements.

Athens, March 29, 2007
The Chartered Accountant

George Deligiannis
SOEL Reg. Num. 15791
SOEL Reg. Num.:127
44, Vassileos Konstantinou str.
116 35 Athens

LAMPSA HELLENIC HOTELS S.A.

HEADQUARTERS: 1 VASILEOS GEORGIOU A' STR., 105 64 ATHENS

VAT No 094008519, PREF. REG. No 6015/06/B/86/135

SUMMARISED RESULTS AND INFORMATION FOR THE PERIOD FROM 1 JANUARY 2006 TO 31 MARCH 2006

The following financial results and information were published according to IFRS
The following financial results and information aim to offer a general summary about the financial position
and the financial results of the Company "Lampsa Hellenic Hotels S.A."
We therefore suggest to the reader , before proceeding to any investing action or any other transaction with the company
to ensure access to the company's internet address, (www.grandebretagne.gr)
where are uploaded the financial statements as required by the International Financial Reporting Standards

BALANCE SHEET

	31.03.2006	31.12.2005
ASSETS		
Tangible and Intangible Assets	86.253.053,01	87.919.796,00
Participations	17.970,00	17.970,00
Inventories	375.094,89	428.777,61
Debtors and other receivable	2.826.150,90	2.383.258,39
Other current assets	13.991.655,14	12.634.740,95
TOTAL ASSETS	103.263.923,94	103.384.542,95
LIABILITIES		
Bank loans due after one year	30.233.442,60	32.033.513,33
Bank loans due after one year	1.800.000,00	0,00
Other payables and accrued liabilities	4.695.511,28	4.933.430,62
Total liabilities (a)	36.729.953,78	36.966.943,95
Equity attr.to equity holders of parent (b)	66.533.970,16	66.417.599,00
TOTALEQUITY AND LIABILITIES (a) + (b)	103.263.923,94	103.384.542,95

STATEMENT OF CHANGES IN EQUITY

	31.03.2006	31.03.2005
Equity opening balance		
(01.01.2006 and 01.01.2005 respectively)	66.417.599,00	65.477.319,28
Profit/loss for the period		
after tax	116.371,16	-160.474,28
Equity opening balance		
(31.03.2006 and 31.03.2005 respectively)	66.533.970,16	65.316.845,00

ADDITIONAL FIGURES AND INFORMATION

1. Existing encumbrances of the fixed assets of the company amounted to € 39.000.000,00 , to secure Bank loan amounted to € 30.000.000
2. Number of employees at 31.03.2006 were : 487 employees and at 31.03.2005 were : 473 employees.
3. The company has not been audited by the tax authorities for the fiscal years 2003 , 2004 and 2005 and therefore its tax obligations have not been finalized for above fiscal years.
4. There are no pending judicial cases or court decisions that may have a significant effect on the financial position of the company.
5. An amount of € 18 thousands is included in the account "Participations" of Assets, which represents the cost of participation in the capital share of the company " Grande Bretagne L.T.D. ".
6. The company publishes the Financial Statements according to International Financial Reporting Standards from 01.01.2005.

INCOME STATEMENT

	01/01/06-31/03/06	01/01/05-31/03/05
Net revenue	6.336.413,18	6.065.111,64
Gross profit	1.782.088,27	1.547.944,44
Profit before finance charges & taxes	385.646,77	218.528,87
Profit before finance charges, depreciation & taxes	1.093.901,21	1.078.602,87
Profit before tax	112.706,42	-69.059,04
Minus Tax	3.664,74	-91.415,24
Profit (Loss) after taxation	116.371,16	-160.474,28
Profit (Loss) for the period per share	0,01	-0,01

CASH FLOW STATEMENT

	01/01/06-31/03/06	01/01/05-31/03/05
Cash flows from operating activities		
Profit from operations before taxes	116.371,16	-160.474,28
Plus/Minus Adjustments for:		
Depreciation & amortization	708.254,44	860.074,20
Interest expense	322.729,84	313.382,03
Provisions	38.027,50	25.840,50
Cash flows from operating activities before adjustments related to working capital	1.185.382,94	1.038.822,45
Plus/Minus adjustments related to working capital		
Increase / (decrease) in inventories	53.682,72	-118.220,27
Increase / (decrease) in receivables	547.546,30	1.290.579,56
Increase / (decrease) in accounts payable except banks	-240.573,38	-267.832,21
Interest expense	-322.729,84	-313.382,03
Net cash from operating activities (a)	1.223.308,76	1.629.767,50
Investing activities:		
Acquisition of fixed and intangible assets	-290.507,32	-81.472,73
Net cash used in investing activities (b)	-290.507,32	-81.472,73
Net increase/(decrease) in cash and cash equivalents (a+b)	932.801,44	1.548.294,77
Cash and cash equivalents at the beginning of the period	11.844.299,33	8.026.181,68
Cash and cash equivalents at the end of the period	12.777.100,77	9.574.476,45

Athens ,May 30th 2006

The President of BoD	The Managing Director	The Director Of Finance
Maurice Modiano	**Nikolaos Dandolos**	**Konstantinos Kyriakos**
ID no GR 0203754	ID no X 170751	ID no F 118001

LAMPSA HELLENIC HOTELS S.A.

HEADQUARTERS: 1 VASILEOS GEORGIOU A' STR., 105 64 ATHENS
VAT No 094008515, PREF. REG. No 6015/06/B/86/135
SUMMARISED RESULTS AND INFORMATION FOR THE PERIOD FROM 1 JANUARY 2006 TO 30 JUNE 2006

The following financial results and information were published according to IFRS
The following financial results and information aim to offer a general summary about the financial position
and the financial results of the Company "Lampsa Hellenic Hotels S.A."
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to ensure access to the company's internet address. (www.grandebretagne.gr)
where are uploaded the financial statements as required by the International Financial Reporting Standards

COMPANY'S INFORMATION

Adress	1 Vasileos Georgiou A str
Pref.Reg.No	6015/06/B/86/135
Prefecture	Prefecture of Athens
Members of the Board	Maurice Modiano
	Apostolos Doxiadis
	Nikolaos Dandolos
	George Galanakis
	Athanasios Papanikolaou
	Thomas Miller
	Nikolaos Papandreou
	Philippe Spilopoulos
Approval date of the results	28/8/2006
Auditor	George Deligiannis
Audit firm	GRANT THORNTON SA
Web-site adress	www.grandebretagne.gr

1.1 BALANCE SHEET (amounts in thousands of euro)

	THE GROUP		THE COMPANY	
	30.06.2006	31.12.2005	30.06.2006	31.12.2005
ASSETS				
Tangible and intangible Assets	135.463	87.918	90.548	87.938
Inventories	553	428	447	429
Debtors and other receivable	2.519	2.383	2.883	2.383
Other current assets	7.333	12.616	3.783	12.656
TOTAL ASSETS	147.093	103.385	108.678	103.385
LIABILITIES				
Long-term obligations	66.376	32.334	30.606	32.334
Short-term bank obligations	4.394	0	2.111	0
Other short-term obligations	7.320	4.633	8.000	4.635
Total liabilities (a)	78.090	36.967	39.039	36.967
Capital Share	23.500	23.500	23.500	23.500
Other equity attr.to equity holders	44.081	42.916	44.158	42.918
Equity attr.to equity holders of parent (b)	67.581	66.416	67.658	66.418
Minority rights (c)	1.526	0.00	0.00	
TOTALEQUITY (d)=(b)+(c)	68.997	66.416	67.658	66.418
TOTAL EQUITY AND LIABILITIES (e) =(a	147.093	103.385	108.678	103.385

1.2 INCOME STATEMENT (amounts in thousands of euros)

	THE GROUP			
	01.01-30.06.06	01.04-30.06.06	01.01-30.06.05	01.04-30.06.05
Net revenue	17.518	11.176	14.900	8.830
Gross profit	6.909	5.127	5.168	3.641
Profit before finance charges & taxes	4.826	3.733	3.718	2.640
Profit before finance charges, depreciation	3.525	2.026	2.378	2.099
Profit before tax	2.194	2.082	1.759	1.828
Minus Tax	(292)	(296)	(673)	(581)
Profit (Loss) after taxation	1.902	1.786	1.087	1.247
Distributed to:				
Company's shareholders	2.103	1.989	1.087	1.247
Minority shareholders	(201)	(203)	0	0
Profit after taxation per share	0.0845	0.0831	0.0508	0.0584

Total shares :21.384.000

	THE COMPANY			
	01.01-30.06.06	01.04-30.06.06	01.01-30.06.05	01.04-30.06.05
Net revenue	13.779	9.443	14.900	8.830
Gross profit	6.022	4.243	5.168	3.641
Profit before finance charges & taxes	4.583	3.490	3.718	2.640
Profit before finance charges, depreciation & taxes	3.166	2.780	2.318	2.099
Profit before tax	2.609	2.496	1.759	1.828
Minus Tax	(292)	(295)	(673)	(581)
Profit (Loss) after taxation	2.317	2.201	1.087	1.247
Distributed to:				
Company's shareholders	2.317	2.201	1.087	1.247
Minority shareholders	0	0	0	0
Profit after taxation per share	0.1083	0.1030	0.0508	0.0584

Total shares :21.384.000

1.3 STATEMENT OF CHANGES IN EQUITY (amount in thousands of euro)

	THE GROUP		THE COMPANY	
Equity opening balance (01.01.2006 and 01.01.2005 respectively)	30.06.2006	30.06.2005	30.06.2006	30.06.2005
Profit/loss for the period after tax	66.416	65.477	66.418	65.477
Change in reserve currency differences of s.	1.902	1.087	2.317	1.087
Dividends distributed	527	0	0	0
Net income posted directly to the owner's equity	(1.068)	(1.004)	(1.068)	(1.004)
Change of capital from the acquisition of the affiliate	(2)	0	0	0
Equity opening balance (31.03.2006 and 31.03.2005 respectively)	1.130	0	0	0
	68.907	65.560	67.667	65.560

1.4 CASH FLOW STATEMENT (indirect method) (amounts in thousands)

	THE GROUP		THE COMPANY	
Cash flows from operating activities	30.06.2006	30.06.2005	30.06.2006	30.06.2005
Profit from operations before taxes	2.194	1.759	2.609	1.759
Plus/Minus Adjustments for:				
Depreciation & amortization	1.302	1.401	1.418	1.401
Provisions	131	51	87	51
Exchange differences	360	0	0	0
Investments results	(3)	0	0	0
Interest income	(100)	0	(98)	0
Interest expense	1.211	931	834	831
Plus/Minus adjustments related to working capital				
Increase / (decrease) in inventories	(49)	(15)	(18)	(15)
Increase / (decrease) in receivables	1.207	835	(442)	835
Increase / (decrease) in accounts payable except bank	2.448	1.188	2.176	1.188
Interest expense	(829)	(931)	(334)	(931)
Taxes paid	(1.979)	(673)	(1.955)	(673)
Net cash from operating activities (a)				
Investing activities:	5.898	4.347	3.943	4.347
Acquisition of affiliated companies	(10.905)	0	(11.087)	0
Acquisition of fixed and intangible assets	(1.647)	(187)	(1.643)	(1.187)
Interest received	98	2	98	2
Net cash used in investing activities (b)	(12.453)	(185)	(12.628)	(185)
Financial activities:				
Collections from loans	38	0	0	0
Obligations payments	(1)	0	0	0
Dividends paid	0	(1.004)	0	(1.004)
Net cash used in financing activities (c)	37	(1.004)	0	(1.004)
Net increase/(decrease) in cash and cash equivalents (a+b+c)	(6.517)	3.158	(8.685)	3.158
Cash and cash equivalents at the beginning of the period	11.444	8.026	11.044	8.026
Cash and cash equivalents at the end of the period	4.377	11.184	3.159	11.184

ADDITIONAL FIGURES AND INFORMATION

1 There are no pending judicial cases or court decisions that may have a significant effect on the financial position of the comp
2 Existing encumbrances of the fixed assets of the mother company amounted to euro 35.000 thousands when for the group t encumbrances amount to euro 66.196 thousands
3 The sales of the mother company to the affiliated companies from the beginning of the fiscal year amount euro 18 thousands a no purchases exist The sum claims of the company from the affiliation at the end of the period amount to euro 38 thousands an no obligations exist
4 The company's profit are calculated based on the the profit up the the total number of shares
5 Investments for the A semester 2006 Group euro 1.647 thousands Company euro 1.643 thousands
6 The company publishes the Financial Statements according to International Financial Reporting Standards from 01.01.2005
7 The company has not been audited by the tax authorities for the fiscal years 2003 , 2004 and 2005 and therefore its tax obligat have not been finalized for above fiscal years
8 The number of employees is

	THE GROUP		THE COMPANY	
	30/6/2006	30/6/2005	30/6/2006	30/6/2005
Employees	703	670	665	670
Wage earns	25	24	23	24

9 To this period for the first time are incorporated companies that are presented to the index GROUP STRUCTUR due to the acq of the affiliated LUELLA ENTERPRISES LTD at the 5/6/2006 The comparative results concern the mother company
10 Any differences are due to roundings

GROUP STRUCTURE

COMPANY NAME	BASIS	% OF PARTICIPATION	UNAUDITED YE.
LAMPSA HELLENIC HOTELS SA	GREECE	MOTHER COMPANY	2003-2005
GRANDE BRETAGNE LTD	GREECE	DIRECT 99,83%	2004-2005
LUELLA ENTERPRISES LTD	CYPRUS	DIRECT 100%	
NORTH HAVEN LTD	HONG KONG	INDIRECT 100%	2002-2005
BEOGRADSKO MESOVITO PREDUZECE	SERBIA	INDIRECT 51%	2005

The President of BoD	The Managing Director	The Director Of Finance
Maurice Modiano	**Nikolaos Dandolos**	**Konstantinos Kyriakos**
ID no GR 0000754	ID no K 576751	ID no F 116581

LAMPSA HELLENIC HOTELS S.A.

HEADQUARTERS: 1 VASILEOS GEORGIOU A' STR., 105 64 ATHENS

SUMMARIZED RESULTS AND INFORMATION FOR THE PERIOD FROM 1 JANUARY 2006 TO 30 SEPTEMBER 2006

COMPANY'S INFORMATION

1.1 BALANCE SHEET (amounts in thousands of euro)

1.2 INCOME STATEMENT (all amounts in thousands Euros)

THE GROUP

THE COMPANY

1.3 STATEMENT IN CHANGES OF EQUITY (amounts in thousands of euro)

1.4 STATEMENT IN CHANGES OF EQUITY (indirect method) (amounts in thousands of euro)

ADDITIONAL FIGURES AND INFORMATION

COMPANY'S STRUCTURE

The President of BoD

The Managing Director

The Director Of Finance

LAMPSA GROUP

HEADQUARTERS: 1 VASILEOS GEORGIOU A' STR., 105 64 ATHENS
VAT No [illegible] PREF. REG. No [illegible]
SUMMARISED RESULTS AND INFORMATION FOR THE PERIOD FROM 1 JANUARY 2006 TO 31 DECEMBER 2006
The following financial results and information were published according to IFRS
The following financial results and information aim to offer a general summary about the financial position
and the financial results of the Company "Lampsa Hellenic Hotels S.A."
We therefore suggest to the reader, before proceeding to any investing action or any other transaction with the company,
to ensure access to the company's internet address (www.grandebretagne.gr)
where are uploaded the financial statements as required by the International Financial Reporting Standards

COMPANY'S INFORMATION

Address	1 Vasileos Georgiou A' str. 10564 Athens
Prof.Reg.No	6015/06/B/86/135
Prefecture	Prefecture of Athens
Members of the Board	Maurice Modiano
	Nikolaos Dendakis
	Nikolaos Damianos
	George Galanakis
	Athanasios Papadopoulos
	Photios Spiropoulos
	Thomas Miller
	Nikolaos Papandreou
Approval date of the results	26/3/2007
Auditor	George Deligiannis
Audit firm	GRANT THORNTON SA
Web-site address	http://www.grandebretagne.gr

1.1 BALANCE SHEET (amounts in thousands of euro)

	THE GROUP		THE COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
ASSETS				
Tangible and Intangible Assets	139.401	87.938	98.099	87.938
Inventories	1.318	429	403	429
Debtors and other receivable	5.150	2.583	2.685	2.583
Other current assets	11.888	12.505	8.351	12.505
TOTAL ASSETS	158.047	103.365	109.548	103.365
LIABILITIES				
Long-term obligations	58.627	37.004	25.981	37.004
Short-term bank obligations	3.703	0	3.703	0
Other short-term obligations	11.550	8.000	8.300	8.000
Total liabilities (a)	79.880	54.987	39.983	54.987
Share Capital	21.500	21.500	21.500	21.500
Other Equity attr. to equity holders of the company	47.120	42.918	48.227	42.918
Total Equity attr. to equity holders of the company (b)	71.640	66.418	69.565	66.418
Minority rights (c)	6.330	0	0	0
TOTAL EQUITY (d)=(b)+(c)	78.170	66.418	69.565	66.418
TOTAL EQUITY AND LIABILITIES (e)=(a)+(d)	158.047	103.365	109.548	103.365

1.2 INCOME STATEMENT (amounts in thousands of euro)

	THE GROUP		THE COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Net revenue	46.586	31.661	34.942	31.661
Gross profit	16.771	11.006	12.350	11.006
Profit before finance charges, depreciation & taxes	15.568	8.541	8.785	8.541
Profit before finance charges & taxes	12.410	6.503	6.887	6.503
Profit before tax	8.954	4.398	6.763	4.398
Minus Tax	2.081	958	1.728	958
Profit (Loss) after taxation	6.873	3.440	5.015	3.440
Distributed to:				
Company's shareholders	5.771	3.440	4.616	3.440
Minority shareholders	1.102	0	0	0
Profit after taxation per share	0.2781	0.1618	0.2161	0.1618
Dividend proposed	[illegible]	0	[illegible]	[illegible]

1.3 STATEMENT OF CHANGES IN EQUITY (amounts in thousands of euro)

	THE GROUP		THE COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Equity opening balance (01.01.2006 and 01.01.2005 respectively)	66.418	66.477	66.418	66.477
Profit/loss for the period after tax	6.873	3.440	4.615	3.440
Change in capital share	427	(1.495)	427	(1.495)
Dividends distributed (profit)	(1.068)	(1.004)	(1.068)	(1.004)
Change of capitals from the acquisition of the affiliate	7.156	0	0	[illegible]
Purchases/Sales of shares	0	0	0	[illegible]
Capitalised reserves	(427)	0	(427)	[illegible]
Equity opening balance (31.12.2006 and 31.12.2005 respectively)	79.379	66.418	69.965	66.418

1.4 CASH FLOW STATEMENT (Indirect method) (amounts in thousands)

	THE GROUP		THE COMPANY	
Cash flows from operating activities	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Profit from operations before taxes	8.954	4.398	6.763	4.398
Plus/Minus Adjustments for:				
Depreciation & amortization	3.370	2.038	2.009	2.038
Provisions	154	(166)	79	(166)
Interest income and other revenue	(311)	(169)	(158)	(169)
Interest and other expenses	3.400	1.275	1.002	1.275
Other operating expenses	341	0	341	0
Plus/Minus adjustments related to working capital				
Increase / (decrease) in inventories	(76)	(42)	(4)	(42)
Increase / (decrease) in receivables	(276)	(40)	(317)	(40)
Increase / (decrease) in accounts payable except banks	890	449	1.051	449
Minus:				
Interest and other expenses paid	(840)	(1.248)	(772)	(1.248)
Taxes paid	(1.000)	(642)	(561)	(642)
Net cash from operating activities (a)	15.130	7.142	9.603	7.142
Investing activities				
Acquisition of affiliates companies	(15.947)	0	(11.062)	[illegible]
Acquisition of fixed and intangible assets	(1.156)	(400)	(2.356)	(400)
Interest received	250	0	155	[illegible]
Net cash used in investing activities (b)	(16.453)	(558)	(13.183)	(558)
Financial activities				
Collections from capital increase	0	(1.495)		(1.495)
Collections from loans	36	38.000	0	38.000
Loan payments	(2.116)	(36.959)	0	(36.959)
Dividends paid	(1.035)	(994)	(1.035)	(994)
Net cash used in financing activities (c)	(3.115)	(2.468)	(1.035)	(2.468)
Net increase/(decrease) in cash and cash equivalents (a+b+c)	(1.616)	3.919	(4.490)	3.919
Cash and cash equivalents at the beginning of the period	11.844	8.026	11.844	8.026
Cash and cash equivalents at the end of the period	10.228	11.945	7.354	11.945

ADDITIONAL FIGURES AND INFORMATION

1. There are no pending judicial cases or court decisions that may have a significant effect on the financial position of the company and the group.
2. Existing encumbrances of the fixed assets of the mother company amounted to euro 38.000 thousands while for the group the encumbrances amount to euro 68.500 thousands.
3. The sales-purchases claims obligations of the mother company to the affiliated companies

	Group	Company
3.1) Sales of goods and services	38.00	38.00
3.2) Purchases of goods and services	-	-
3.4) Claims	31.00	31.00
3.5) Obligations	-	-
3.6) Transactions & benefits of executives and members of the board	1.260.00	882.00
3.7) Claims towards executives and members of the board	-	-
3.8) Obligations towards executives and members of the board	-	-

4. The company's profit are calculated based on the the profit on the the total number of shares.
5. Investments for the financial year 2006 Group euro 3.156 thousands Company euro 2.360 thousands.
6. The company has not been audited by the tax authorities for the fiscal years 2003-2006. The group appears analytically in the note below.
7. The number of employees is:

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Employees	752	456	469	456
Wage earner	140	15	38	15

8. To this period for the first time are incorporated companies that are presented to the index GROUP STRUCTURE due to the acquisition of the affiliated LUELLA ENTERPRISES LTD at the 8/6/2006. The comparative results concern the mother company.
9. Any differences are due to roundings.
10. The company publishes the Financial Statements according to International Financial Reporting Standards from 31.12.2005.
11. For better presentation the company reclassified the figures of 2005 to reflect better comparison (note 7 of the notes to the accounts).

GROUP STRUCTURE

COMPANY NAME	BASE	% OF PARTICIPATION	UNAUDITED YEARS	CONSOLIDATED METHOD
LAMPSA HELLENIC HOTELS S.A.	GREECE	MOTHER COMPANY	2003-2006	TOTAL
GRANDE BRETAGNE LTD	GREECE	DIRECT 99.83%	2004-2006	TOTAL
LUELLA ENTERPRISES LTD	CYPRUS	DIRECT 100%	2006	TOTAL
NORTH HAVEN LTD	HONG KONG	INDIRECT 100%	2003-2006	TOTAL
BEOGRADSKO MESOVITO PREDUZECE	SERBIA	INDIRECT 51%	2005-2006	TOTAL

The President of BoD
Maurice Modiano
ID no GR 0200754

The Managing Director
Nikolaos Dendakis
ID no X 179757

The Director Of Finance
Konstantinos Kyriakis
ID no T 118861